WORLD POLITICS

A Quarterly Journal of International Relations

Volume XXXVIII, Number 2 January 1986

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

UNDER THE EDITORIAL SPONSORSHIP OF
CENTER OF INTERNATIONAL STUDIES
PRINCETON UNIVERSITY
PUBLISHED BY PRINCETON UNIVERSITY PRESS

EDITORIAL BOARD

Klaus Knorr, *Chairman*

Charles R. Beitz — Ernest R. May
Cyril E. Black — Susan Strange
Robert Jervis — Robert C. Tucker
Anthony King — Samuel F. Wells, Jr.
Walter LaFeber — Aristide R. Zolberg

Editors: Henry S. Bienen, Richard D. Challener, Kenneth A. Oye, Lynn T. White III
Atul Kohli (*Review Articles*)
Associate Editors: Nancy Bermeo, Kent Calder, Stephen F. Cohen, Leon Gordenker, G. John Ikenberry, Thomas R. Rochon, Paul E. Sigmund, Robert L. Tignor, Stephen M. Walt, John Waterbury
Executive Editor: Elsbeth G. Lewin

The editors invite submission of articles (up to 10,000 words, including footnotes) bearing upon problems in international relations and comparative politics. Manuscripts and footnotes should be doublespaced throughout and submitted in duplicate, together with an abstract of approximately 125 words. Footnotes should only cite sources; they should be numbered consecutively and placed at the end of the manuscript. Address: WORLD POLITICS, Corwin Hall, Princeton, N.J. 08544.

Authors may expect to be notified of the editors' decision within three months from date of submission. Procedures for reviewing manuscripts are based on the anonymity of the author and the confidentiality of editors' and readers' reports. Editorial policy does not provide for informing authors of readers' evaluations or suggestions for improvement of rejected manuscripts. Statements of fact and opinion appearing in WORLD POLITICS are made on the responsibility of the authors alone and do not imply the endorsement of the editors or publishers. WORLD POLITICS does not accept manuscripts that have already been published, are scheduled for publication elsewhere, or have been simultaneously submitted to another journal.

Reprint permission: Permission to reproduce or translate material should be sought from Permissions Department, WORLD POLITICS, P.U.P., 41 William St., Princeton, N.J. 08540.

Subscriptions: WORLD POLITICS, P.U.P., 3175 Princeton Pike, Lawrenceville, N.J. 08648.

U.S. and Canada—Individuals: $16.50 per year; $26.50 for two years; $39.00 for three years. Institutions: $25.00 per year. Single copies: $7.50.

Foreign—Individuals: $20.50 per year; $33.00 for two years; $48.50 for three years. Institutions: $31.00 per year. Please add $3.50 per year for foreign postage and handling. Single copies: $9.50 plus $1.00 for postage and handling.

Back Issues: WORLD POLITICS is available in microfilm or xerographic copies from University Microfilms, Ann Arbor, Michigan 48106. Two years after publication, complete volumes are available in microfiche form from KTO Microform, Route 100, Millwood, N.Y. 10546. Individual issues in the current and two preceding volumes may be ordered from Princeton University Press, 3175 Princeton Pike, Lawrenceville, N.J. 08648.

Advertising: Advertising Dept., Princeton University Press, 41 William St., Princeton, N.J. 08540.

WORLD POLITICS is indexed by *ABC POL SCI, Book Review Index, Combined Retrospective Index Sets (CRIS), Combined Retrospective Index to Book Reviews in Scholarly Journals, 1886-1974 (RSJ), PAIS Bulletin, Social Science Index*, and *Monthly Periodical Index*; it is abstracted and indexed in *United States Political Science Documents, International Bibliography of Periodical Literature (IBZ)*, and *International Bibliography of Book Reviews (IBR)*. Abstracts of articles also appear in *Book Review Digest, Historical Abstracts*, and *International Political Science Abstracts*.

Copyright © 1986 by The Trustees of Princeton University

WORLD POLITICS (ISSN 0043-8871). Published quarterly by Princeton University Press, 3175 Princeton Pike, Lawrenceville, N.J. 08648. January 1986, Vol. XXXVIII, No. 2. Second Class postage paid at Trenton, N.J., and additional mailing offices. Send address changes to Princeton University Press, 3175 Princeton Pike, Lawrenceville, N.J. 08648. Printed in the United States of America by Princeton University Press.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

WORLD POLITICS

Vol. XXXVIII • January 1986 • No. 2

CONTENTS

International Bargaining and Domestic Politics: U.S.-China Relations since 1972 — *Robert S. Ross* — 255

In Search of Generations in Soviet Politics — *Mark R. Beissinger* — 288

India's Nuclear and Space Programs: Defense or Development? — *Raju G. C. Thomas* — 315

Review Articles

The Newly Industrializing Countries in the International System — *Stephan Haggard* — 343

The Transition to Democratic Government in Brazil — *Riordan Roett* — 371

The Contributors — ii

Abstracts — iii

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE CONTRIBUTORS

Robert S. Ross is Assistant Director of the East Asian Institute and teaches Chinese politics and the international politics of East Asia at Columbia University. He is currently working on a study of China's Vietnam policy, 1975-1979.

Mark R. Beissinger is Assistant Professor of Soviet and East European Government at Harvard University. He is currently working on a study of the Scientific Management movement in the Soviet Union.

Raju G. C. Thomas is Associate Professor of Political Science at Marquette University. He is the author of *Indian Security Policy* (forthcoming) and *The Defence of India: A Budgetary Perspective of Strategy and Politics* (1976), as well as the editor of *The Great Power Triangle and Asian Security* (1983).

Stephen Haggard is Assistant Professor of Government at Harvard University.

Riordan Roett is Professor of Political Science and Director of the Latin American Studies Program at The Johns Hopkins University School of Advanced International Studies. He also serves as founding director of the School's Center of Brazilian Studies. His recent publications include *Brazil: Politics in a Patrimonial Society* (3d ed., 1984) and, as co-author and editor, *Latin America, Western Europe and the U.S.: Reevaluating the Atlantic Triangle* (1985).

Authorization to photocopy items for internal or personal use, or the internal or personal use of specific clients, is granted by The Trustees of Princeton University for libraries and other users registered with the Copyright Clearance Center (CCC) Transactional Reporting Service, provided that the fee of .05 per page is paid directly to CCC, 21 Congress St., Salem, MA 01970. 0043-8871/86 $0.00 + .05

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ABSTRACTS

International Bargaining and Domestic Politics: U.S.-China relations since 1972

By R. R. ROSS

The concepts of triangular structure and pattern of relations are useful in understanding conflict in U.S.-China relations, particularly over Taiwan, and in explaining the context in which Chinese domestic politics influences the P.R.C.'s policy toward the United States. Through their influence on relative bargaining strengths, shifting patterns of relations have determined Beijing's readiness either to push for change in U.S.-Taiwan relations or to accept the status quo until China's bargaining position improves. The pace of policy change within a particular pattern of relations has been influenced by the P.R.C.'s domestic politics, which has also compelled the leaders to protect their domestic position by issuing statements aimed at the domestic audience.

In Search of Generations in Soviet Politics

By M. R. BEISSINGER

The hypothesis that generation has become a major source of political cleavage within the Soviet regional party apparatus is examined in the context of existing models of political generations. The attitudes of a sample of RSFSR provincial officials toward problems in the Soviet economy, as expressed in their newspaper writings, are analyzed according to several variables, including political generation. While it is difficult to speak of a significant difference in perspectives along strict generational lines, generational differences appear to be more significant within subgroups of the elite than within the elite as a whole. Several attitudinal subgroups within the younger generation are identified and their views of economic problems compared with those of their elders and with those of their generational peers. The findings suggest that the process of generational change in the Soviet Union is likely to be more complex than the traditional models of political generations lead one to expect.

India's Nuclear and Space Programs: defense or development?

By R.G.C. THOMAS

Are the Indian nuclear and space programs driven primarily by defense or development motives? What are India's economic and technological capabilities in these fields?

Defense motives are strong, but are offset by the potential consequences of programs of nuclear weapons and delivery systems that could produce less rather than more security by provoking counter-reactions in Pakistan and China. The underlying development motives are equally strong, but the programs may not be cost-efficient in the short run. Ultimately, the justification for these programs is based on a dual argument: strategic circumstances justify the maintenance of the nuclear weapons option through development of civilian nuclear energy and space programs irrespective of cost or efficiency, while civilian needs in nuclear energy and space-based telecommunications and meteorological systems provide the defense sector with nuclear weapons and delivery systems options. Although at present neither may seem economically justifiable independently of the other, together they provide a reinforcing defense-development justification.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The Newly Industrializing Countries in the International System
By S. HAGGARD

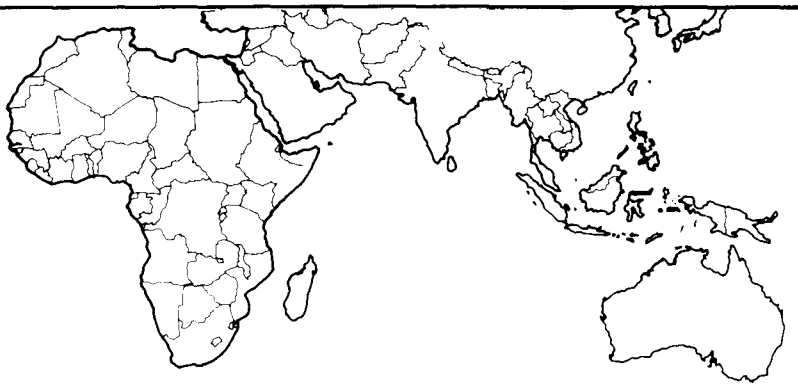
Explanations of the growth of the newly industrializing countries (NICs) by neoclassical economists and dependency theorists neglect the role of politics in shaping development strategies. Different social configurations, state structures, and ideas about development help explain the divergent policy choices made by the export-oriented East Asian NICs—Korea and Taiwan—and the more "inward-looking" countries of Latin America, particularly Mexico and Brazil. These different strategic choices, in turn, account for variations in the patterns of external "dependency" that characterize countries in the two regions.

The Transition to Democratic Government in Brazil
By R. ROETT

Brazil experienced both economic prosperity and political repression in the 1970s. When the "miracle" faltered after the oil shocks, however, repression came to be viewed as neither politically effective nor conducive to further economic growth. Workers, whose incomes had risen during the "economic miracle," began to seek political freedom as well. The church, a strong proponent of liberation theology, also played an important role by supporting the poor in their struggle. In addition, the elite pressured for liberalization when they perceived that their control over economic rewards was being eroded by increasing state domination of the economy.

The elite may now be more responsive to mass demands in order to preclude the return of military control. Their ability to respond will be largely determined by international factors over which Brazil has little influence.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



Ethnic Groups in Conflict
DONALD L. HOROWITZ

"Surely the most comprehensive treatment of ethnicity yet accomplished. It probes the nature of ethnic identity, the sources of ethnic conflict, and the impact that ethnicity exerts upon politics of both the civilian and military variety. . . . The resulting synthesis represents a major gain in our understanding of ethnic conflict and accommodations."—Walker Connor
$25.00

African Crisis Areas and U.S. Foreign Policy
Edited by GERALD J. BENDER, JAMES S. COLEMAN, and RICHARD L. SKLAR

A provocative presentation of the major African crisis areas, such as southern Africa, the Horn of Africa, and the Sahara, and the U.S. responses to them, written by major scholars and specialists from the United States and abroad.
$40.00 cloth, $9.95 paper

Spain After Franco
The Making of a Competitive Party System
RICHARD GUNTHER, GIACOMO SANI, and GOLDIE SHABAD

This book focuses on competitive politics in Spain—their nature and development. Giving particular attention to class, religious, regional, and ideological cleavages, the authors examine the interplay between the party-building and electoral strategies adopted by the new elites and the political orientations and behavior of the mass public. The case of Spain provides useful lessons for democratic transformations elsewhere. $37.50

At bookstores or call 800-UC BOOKS / 800-822-6657

UNIVERSITY OF *California* PRESS

Berkeley 94720

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Center of International Studies

PRINCETON UNIVERSITY

THE EUROPEAN COMMUNITY'S PARTICIPATION IN INTERNATIONAL TREATIES

By Johannes Fons Buhl

International organizations such as the European Community and other regional integration organizations have gradually emerged as legal entities with international legal capacities of their own. The author urges that the consequences of this evolution be taken into account at the United Nations conference to establish a Vienna II Convention on the Law of Treaties between States and international organizations or between international organizations.

World Order Studies Program
Occasional Paper No. 13 $8.00

HUMAN RIGHTS, POWER POLITICS, AND THE INTERNATIONAL REFUGEE REGIME: THE CASE OF U.S. TREATMENT OF CARIBBEAN BASIN REFUGEES

By Gilburt Loescher and John Scanlan

In examining the relative importance of humanitarian and nonhumanitarian factors in the world's current treatment of refugees, the authors find that individual states often "play politics" with refugee issues. Political interference, which is most evident in the Caribbean and in Central America, reflects a cold-war ideology and realpolitik concerns that put the United States in serious conflict with the United Nations High Commission for Refugees by restricting humanitarian principles of protection and imposing major limitations on the operations of an international regime.

World Order Studies Program
Occasional Paper No. 14 $8.00

Order from the

Center of International Studies
Corwin Hall, Princeton, N.J. 08544

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

INTERNATIONAL BARGAINING AND DOMESTIC POLITICS: U.S.-China Relations since 1972

By ROBERT S. ROSS*

Introduction

THE interplay between domestic and international politics and the international behavior of states is a source of debate among scholars of comparative foreign policy. Often, the literature presents a skewed picture: one analytical perspective is overemphasized so that the explanatory value of the other is greatly underrepresented. Such is the case in much of the writing on Chinese policy toward the United States since 1972, particularly concerning the sources of conflict in the otherwise mutually beneficial U.S.-China relationship. The most difficult task has been to integrate our admittedly insufficient knowledge of Chinese domestic politics with the analytical conclusions suggested by the dynamics of U.S.-Soviet-P.R.C. triangular politics.

Despite the dearth of knowledge of Beijing politics, a number of specialists have produced important scholarship and reached significant conclusions concerning the impact of domestic China on the P.R.C.'s foreign policy. Notwithstanding these important contributions to our knowledge of Chinese policy making, there has been a trend to give undue emphasis to Chinese domestic politics in explaining instability in U.S.-China relations, particularly concerning the recurring conflict over Taiwan. It has been argued that, because reunification of Taiwan with the mainland is such a nationalistic issue, any Chinese leadership that cooperates with the United States is subject to intense criticism. Thus, unless the U.S. respects Chinese sensitivities, Beijing will adopt a rigid and hostile policy, and Taiwan will remain a contentious issue in U.S.-China relations. It has even been said that Washington's Taiwan policy could lead, or already has led, to a more conciliatory Chinese policy

* An earlier version of this paper was presented to the Modern China Seminar, Columbia University, April 11, 1985. For their comments and criticism of earlier drafts of this paper, I would like to thank the members of that seminar, as well as Thomas P. Bernstein, Lowell Dittmer, William T. R. Fox, Carol Hamrin, Kenneth Lieberthal, Douglas Macdonald, James W. Morley, Andrew J. Nathan, and Michel Oksenberg. I alone am responsible for the contents of this article.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

toward the Soviet Union due to the pressures of domestic politics on individual leaders such as Deng Xiaoping.[1]

This approach carries implicit assumptions concerning the role of Taiwan in the foreign policy of the People's Republic, the leadership's attitudes toward the Taiwan issue, and the sources of Beijing's U.S. policy, which fail to consider fully the restraints on P.R.C. policy imposed by the international environment. One fallacy is the assumption that the P.R.C. leadership is divided over the Taiwan issue—that if "rational" leaders such as Deng Xiaoping were free from domestic political opposition, they would not let the Taiwan issue interfere with U.S.-China relations. Actually, Deng Xiaoping and his colleagues are no less interested in the reunification of Taiwan with the mainland than are other Chinese politicians. Second, excessive attention to domestic politics fails to recognize the P.R.C. as a goal-oriented actor. Taiwan is a strategically located island (at one time called by American statesmen an "unsinkable aircraft carrier"), which could pose a threat to China if it were allied with an adversary, or which could enhance China's political position if it were controlled by the P.R.C. For this reason alone, Chinese leaders agree on the need to recover Taiwan. Finally, the importance of the international environment in Chinese policy making is suggested by the P.R.C.'s passivity concerning Taiwan from 1972 to 1978. Even though the United States was unwilling to compromise on its recognition of the Guomintang as the government of China, and despite intense succession politics in Beijing, it was during this period that Chinese leaders assured Washington that Taiwan was not an important issue, and that the two sides should concentrate their attention on dealing with Soviet "hegemonism."[2]

[1] For various interpretations of the interplay of U.S. Taiwan policy, P.R.C. domestic politics, and China's Soviet policy, see, for example, Robert A. Manning, "Reagan's Chance Hit," *Foreign Affairs* 54 (Spring 1984), 83-101, at 93; William Barnds, "China in American Foreign Policy," in Barnds, ed., *China and America: The Search for a New Relationship* (New York: New York University Press, 1977), 224-25; Carol Hamrin, "China Reassesses the Superpowers," *Pacific Affairs* 56 (Summer 1983), 209-31, at 224-27; Alexander Haig, Jr., *Caveat: Realism, Reagan, and Foreign Policy* (New York: Macmillan, 1984), 200.

[2] For an overview of U.S.-China relations, see the memoirs of U.S. statesmen: Henry Kissinger, *The White House Years* (Boston: Little, Brown, 1979); Henry Kissinger, *Years of Upheaval* (Boston: Little, Brown, 1982); Richard Nixon, *RN: The Memoirs of Richard Nixon* (New York: Grosset & Dunlap, 1978); Gerald Ford, *A Time to Heal* (New York: Harper & Row, 1979); Zbigniew Brzezinski, *Power and Principle* (New York: Farrar Straus Giraux, 1983); Cyrus Vance, *Hard Choices: Critical Years in America's Foreign Policy* (New York: Simon & Schuster, 1983). For an overview of the Carter years, see Robert G. Sutter, *The China Quandary: Domestic Determinants of U.S. China Policy, 1972-1982* (Boulder, CO: Westview Press, 1983). On Chinese policy debates, see Harry Harding, "The Domestic Politics of China's Global Posture," in Thomas Fingar and *The Stanford Journal of International Affairs*, eds., *China's Quest for Independence: Policy Evolution in the 1970s* (Boulder, CO: Westview Press, 1980); Kenneth Lieberthal, *Sino-Soviet Conflict in the 1970's: Its Evolution and Implications for the Strategic Triangle* (Santa Monica, CA: Rand, 1978). For a discussion

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

In this paper, I explain the ups and downs in U.S.-China relations since the Shanghai Communiqué as primarily a function of shifting "patterns of relations" in the strategic triangle: the trilateral pattern of relations in a particular era has been the dominant influence on China's U.S. policy. By affecting the bargaining relationship between the two countries, the pattern of relations also affected the strategy of China's goal-oriented behavior—in this case, reunification of Taiwan with the mainland. This approach does not reject the role of domestic politics in the formation of the P.R.C.'s foreign policy. On the contrary, domestic politics are influential in the P.R.C.'s foreign policy formation. But it is important to isolate the role of domestic politics within the constraints of international politics and to examine how various triangular patterns of relations set the parameters of the policy debates and thus influence the shifting salience of the Taiwan issue in the domestic political arena.

Triangular Patterns of Relations and Bargaining among Strategic Partners

Systems theory explains the impact of a particular political structure on the behavioral patterns of states. As Kenneth Waltz has argued, "systems theory explains changes across systems, not in them. . . ."[3] Such theories have proved to be extremely powerful in explicating the long-term and fundamental dynamics of international politics, such as recurring balances, and in calling attention to differences in behavioral patterns of states under different international structures. Nevertheless, recurring patterns of behavior in international politics are the result of more variables than the "ordering principle" and the number of major powers in the system. Although he admits that alliance patterns may have a high explanatory value, Waltz argues that they have no place in a systems theory.[4] He may be correct, but that does not free us from the task of determining the influence of alliance patterns on state behavior.

When there are more than two major powers, the pattern of relations between them may vary considerably.[5] The contemporary world is bi-

---

of the fallacies of reliance on domestic politics, see Michael Ng-Quinn, "The Analytic Study of Chinese Foreign Policy," *International Studies Quarterly* 27 (June 1983), 203-24, at 211-22.

[3] Waltz, *Theory of International Politics* (Reading, MA: Addison-Wesley, 1979), 71.

[4] *Ibid.*, 98-99. Morton Kaplan, in *System and Process in International Politics* (New York: John Wiley and Sons, 1957), includes alliance patterns in systems theory.

[5] The "pattern of relations" is discussed in Glenn H. Snyder and Paul Diesing, *Conflict Among Nations: Bargaining, Decision Making, and System Structure in International Crises* (Princeton: Princeton University Press, 1977), 463.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

polar; only the United States and the Soviet Union have comparable nuclear capabilities. Nevertheless, since President Nixon traveled to China in 1972 and signed the Shanghai Communiqué, international politics have reflected many of the characteristics of a multipolar balance-of-power system. Although the P.R.C. lacks a comparable nuclear inventory, its population, size, and resource base compels the superpowers to consider it a significant actor affecting their vital interests. Some European nations may have similar attributes, but the flexibility and unpredictability of U.S.-Soviet-P.R.C. relations creates the multipolar dynamics of the strategic triangle.[6]

Within this triangular relationship, there is a variety of possible forms of relations, depending upon "systemic *patterns* of exchange relationships" and the roles of the actors within each pattern. Three possible patterns have been identified. The most easily recognized of these is the "romantic triangle," whereby a "pivot" or "swing" state has a détente relationship with both of the other actors in the triangle.[7] The animosity between the two other actors makes them dependent upon friendship with the pivot for their security. The pivot is able to use to its advantage its suitors' fear of the abandonment and isolation that would develop from improved relations between the pivot and a suitor's adversary. Dependence is thus a function of the realignment alternatives of one's partner.[8] Put differently, dependence is a function of "asymmetrical strategic interests." Where one actor is more concerned than the other that its partner's strategic assets may enhance its adversary's capabilities due to realignment, relative fears of abandonment are affected. As Glenn Snyder has observed, such asymmetry explains why the more powerful actor in a dyad often has little influence over its weaker partner.[9] Détente generates uncertainty concerning the reliability of a partner and raises

[6] On the multipolarity of contemporary international politics, see *ibid.* For a perspective emphasizing Chinese behavior as a product of bipolarity, see Michael Ng-Quinn, "International Systemic Constraints on Chinese Foreign Policy," in Samuel S. Kim, ed., *China and the World: Chinese Foreign Policy in the Post-Mao Era* (Boulder, CO: Westview Press, 1984).

[7] The romantic triangle and the pivot state are discussed in Lowell Dittmer, "The Strategic Triangle: An Elementary Game-Theoretical Analysis," *World Politics* 33 (July 1981), 485-515, at 489 (emphasis in original). The swing position is discussed in Synder and Diesing (fn. 5), 465. Dittmer argues that a "stable marriage pattern," characterized by amity between two states and enmity between these two and the third state, has characterized Sino-American relations since 1978. I will show below that this pattern is highly unstable, due to the implications on dependency relations of one state's quest for a stable marriage. Dittmer analyzes a third form of triangular relations, "*ménage à trois*," which will not be discussed in this paper.

[8] Glenn H. Snyder, "The Security Dilemma in Alliance Politics," *World Politics* 36 (July 1984), 461-95, at 471-73; also see Dittmer (fn. 7), 510.

[9] Snyder (fn. 8), 471-73.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the possibility of a deeper, more cooperative relationship—a "stable marriage" in Dittmer's terms—which would undermine the security of the isolated state.[10]

There has been excellent work assessing the impact of such asymmetries in triangular relations on crisis behavior.[11] There have also been studies of the impact of such asymmetries on relations between adversaries in the strategic triangle.[12] Comparatively little work has been done, however, on the impact of shifts in the pattern of relations—"interaction change" in triangular politics—on relations between security partners. The existing studies on conflict between allies are primarily concerned with differences that arise on policy toward their common adversary.[13] Little has been written concerning the bargaining process on conflicting "particular interests" in bilateral relations in the context both of shared "general interests" vis-à-vis an adversary and of the triangular pattern of relations in the particular era.[14]

When there are shared general interests toward a common adversary as well as conflictual particular interests, as is the case in U.S.-China relations, each side must decide on a bargaining strategy concerning the conflictual issues. This strategy is, for the most part, a function of each state's position in the triangular pattern of relations. The changing pattern of relations establishes the range of choice, either severely restricting or expanding a state's bargaining power. The general interest will dominate the course of the relationship along the amity/enmity continuum; the pattern of relations will determine the cost to each state in terms of the compromises it must make on the conflictual bilateral interests. Enhanced bilateral conflict raises the possibility that détente between one's strategic partner and one's adversary might occur during a crisis, leading to abandonment and reduced security of the isolated state.[15] The likelihood of this, a function of the pattern of relations, affects a state's bargaining strategy and its willingness to create conflict with its ally. In the case of China and the United States, that is the

[10] Dittmer (fn. 7), 489; Snyder and Diesing (fn. 5), 465.

[11] See, for example, Snyder and Diesing (fn. 5).

[12] Henry Kissinger argues that Soviet fear of greater U.S.-China cooperation moderated Mocow's arms-control policy. See Kissinger (fn. 2, 1979), 766-68, 836-37.

[13] The standard work remains George Liska, *Nations in Alliance: The Limits of Interdependence* (Baltimore: The Johns Hopkins University Press, 1962). The importance of "interaction change" is noted in Robert Gilpin, *War and Change in World Politics* (New York: Cambridge University Press, 1981), 43-44.

[14] The terms are from Snyder (fn. 8), 464-65.

[15] Snyder and Diesing (fn. 5), 436, 465. Also see Fred Charles Iklé, *How Nations Negotiate* (New York: Harper & Row, 1964), 30. Third-party behavior affects decisions to go to war. See also Bruce Bueno de Mesquita, *The War Trap* (New Haven: Yale University Press, 1981); Geoffrey Blainey, *The Causes of War* (New York: The Free Press, 1973).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

primary explanation for their changing relations since 1972 with regard to their most conflictual particular interest, Taiwan. Indeed, it is important to recognize that Taiwan has been an object of U.S.-China bargaining since the Shanghai Communiqué. The two governments have had different preferences for the diplomatic, political, and military relationship between the United States and Taiwan since 1972, and China's bargaining strategy has changed over time.

Emphasis on triangular patterns of relations allows for consideration of the role of domestic politics in U.S.-China relations. Domestic politics is part of the "internal setting" of the process of foreign policy making.[16] The multiple roles of decision makers—as representatives of their states in international politics and as contestants for power in domestic politics—sometimes call for contradictory behavior. In extreme cases, a decision maker's domestic interests may prevail to such an extent that the state will not adequately respond to international pressures. Within the P.R.C., politics may affect policy insofar as Taiwan is a politically sensitive issue. Alternatively, China's leaders may simply have different perceptions of the relative bargaining strengths of the actors in the triangle or of their value as strategic allies.[17] Domestic politics may thus shape foreign policy insofar as leadership instability and change leads to policy change. Scholars have identified competing policy alternatives among the Chinese elite.[18]

Although domestic politics influences foreign policy formulation, the international strategic environment sets the "outside limits" of a state's bargaining position.[19] Chinese domestic politics may not have altered the fundamental character of China's U.S. policy in terms of the value attached to either a cooperative or conflictual relationship, but it may affect the timing of policy changes, hastening or slowing a particular trend. Domestic politics may also affect the tenor of a relationship within the pattern of relations dominant during a particular era: leaders may say or do things which serve their domestic needs, but which are not intended to alter their foreign policy line. It is therefore important to consider the intended audience of a policy statement.

Emphasis on triangular structures and range of choice suggests a

[16] Richard C. Snyder, H. W. Bruck, and Burton Sapin, "The Decision-Making Approach to the Study of International Politics," in James N. Rosenau, ed., *International Politics and Foreign Policy* (Glencoe, IL: Free Press, 1961), 188-90; Kaplan (fn. 4), 108, 158; Snyder and Diesing (fn. 5), 354-55.

[17] *Ibid.*, 526, 530.

[18] See, for example, Kenneth Lieberthal, "The Foreign Policy Debate in Peking as Seen through Allegorical Articles," *The China Quarterly*, No. 71 (September 1977), 528-54.

[19] Snyder and Diesing (fn. 5), 526.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

"second image reversed" analysis of the interplay between international and domestic politics.[20] The international environment establishes the range within which debate over foreign policy can take place. As the pattern of relations of the strategic triangle has shifted since 1972, altering China's bargaining relationship between the superpowers, the content of the Chinese debate—and, thus, the role of Chinese domestic politics in China's foreign policy formulation—has changed.

Triangular politics, bargaining, and domestic politics are the three elements essential to understanding China's foreign policy toward the United States over Taiwan since 1972. Nevertheless, it is difficult to specify the exact mix of the international and domestic environment; during any particular era, the mix will be different. Still, the restraints can be generalized, delineating the range of choice, while the immediate situation is more susceptible to temporal political circumstances.

The Quiet Years, 1972-1979: The Impact of Triangular Relations

In the early 1970s, the strategic triangle had yet to become salient in international politics. China's "dual adversary policy," entailing intense hostility toward both the superpowers, reinforced strategic bipolarity as both superpowers were denied the benefit of an alliance with the P.R.C. This situation proved untenable with regard to China's security demands as the dangers of isolation became clear following the 1968 Soviet invasion of Czechoslovakia and during the P.R.C.'s brief, yet dangerous, border war with the Soviet Union in 1969. Isolation and the resulting escalated threat posed by the Soviet Union coincided with the U.S. retreat from Indochina, encouraging Chinese leaders to seek a rapprochement with the United States. Prime Minister Zhou Enlai reportedly recognized that a continuation of the dual adversary policy would "plunge new China . . . into international isolation."[21] The P.R.C.'s efforts culminated in the Shanghai Communiqué, signed during President Nixon's visit to China in 1972.

Diplomacy successfully reduced the leaders' perception of isolation and their fear of Soviet pressure.[22] The image of the leader of the United

[20] See Peter Gourevitch, "The Second Image Reversed: The International Sources of Domestic Politics," *International Organization* 32 (Autumn 1978), 881-911. Also see Snyder and Diesing (fn. 5), 530.

[21] *Xinhua*, March 4, 1978, in *Foreign Broadcast Information Service, People's Republic of China, Daily Report* [hereafter cited as *FBIS/DR*], March 6, 1978, p. E25.

[22] Robert G. Sutter, *China Watch: Toward Sino-American Reconciliation* (Baltimore: The Johns Hopkins University Press, 1978), 111-12.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

States traveling to China and meeting with Chairman Mao Zedong did much to reassure China that it no longer stood alone against the "polar bear" to the north. Nevertheless, reduced international isolation also brought into play triangular influences on China's bilateral relations with the United States. Whereas Beijing had earlier simply refused to negotiate its differences with Washington, preferring to weaken the United States through a war of attrition by proxy in Indochina, it now became susceptible to the give-and-take of bargaining relationships in triangular politics.

During this period, the pattern of relations was that of a "romantic triangle." The United States held the pivot position, pursuing détente with the Soviet Union and China, while the latter two states were engaged in an unrelenting cold war. From the perspective of the P.R.C., the United States was on the defensive, nursing the wounds received from its involvement in the Vietnam War and its domestic instability, while the Soviet Union was on the offensive, seeking to "fill the vacuum" left by the American retrenchment. In late 1973, Mao feared that the Watergate disruptions might undermine Washington's ability to resist Soviet expansionism.[23] Deng Xiaoping stated at the United Nations early in 1974 that of the two superpowers, the Soviet Union was "especially vicious."[24] In 1975, in the aftermath of the fall of Saigon, Mao characterized the United States as strategically overextended, "*trying to catch ten fleas with ten fingers*," and told Henry Kissinger that China no longer considered the United States as a "paper tiger" but as a "wounded tiger"[25]—a conclusion that did not change during the first half of the Carter administration. In 1978, Chairman Hua Guofeng insisted that the Soviet Union was the "most dangerous source of a new world war" and *Renmin Ribao* (People's Daily) reported that "The Soviet Union Is Bent on Utilizing America's Lack of Will."[26]

Fearful of the Soviet threat, the P.R.C. attempted to offset Soviet power by associating itself with the United States. Various statements by Chinese leaders and the media explained that, due to the more

[23] Kissinger (fn. 2, 1982), 690.

[24] *Speech by the Chairman of the Delegation of the People's Republic of China, Teng Hsiao-Ping, at the Special Session of the U.N. General Assembly* (Beijing: Foreign Languages Press, 1974), 4.

[25] Editorial Department of *Renmin Ribao* [hereafter cited as *RMRB*], *The Theory of the Three Worlds* (New York: Books New China, 1977), 46 (emphasis in original); *New York Times*, October 24, 1975, p. 6.

[26] *Documents of the First Session of the Fifth National People's Congress of the People's Republic of China* (Beijing: Foreign Languages Press, 1978), 101; *RMRB*, April 18, 1978, *FBIS/DR*, April 27, 1978, p. A3 (upper case in original).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

dangerous nature of the Soviet Union, China must use the United States to reduce its own insecurity. In 1973, Premier Zhou quoted Mao's statement that China " 'must not fight two-sided; it is better to fight one-sided.' "[27] In late 1977, *Renmin Ribao* argued that if Chinese leaders "indiscriminately put the two superpowers on a par and fail to single out the Soviet Union as the more dangerous instigator of world war, we would only be blunting ... revolutionary vigilance ... and blurring the primary target in the struggle against hegemonism."[28]

Reliance on the United States put China in an extremely disadvantageous position. Because America held the pivot position in the romantic triangle, Chinese leaders lived under constant fear of abandonment by the U.S. and renewed isolation in the face of the dangerous Soviet Union. That apprehension was not without basis. In 1973, for example, Nixon and Brezhnev had signed an agreement stipulating that the U.S. and the U.S.S.R. enter into "urgent negotiations" if relations between both of them or between either side and a third party "appear to involve the risk of nuclear conflict."[29] The P.R.C. was a likely third party of such "collusion."

The fear of abandonment and isolation is clearly reflected in statements by the Chinese leadership. In 1973, Premier Zhou Enlai reported that the superpowers were "colluding" and that "the West always wants to urge the Soviet revisionists eastward to divert the peril towards China."[30] In the same year, Chairman Mao and Premier Zhou met with Henry Kissinger on different occasions and expressed fear of a U.S.-Soviet condominium, and that détente might free Moscow to increase its pressure on China. Mao insisted that the U.S. "resist the temptation to 'push the ill waters eastward.' "[31] The Helsinki conference in 1976 and the so-called Sonnenfeldt doctrine further deepened the P.R.C.'s apprehension. Chinese Foreign Minister Qiao Guanhua told the U.N. General Assembly that

> There are always some people in the West who want to urge social-imperialism eastward and divert this peril towards China, thinking it best if all is quiet in the West. The "European security conference" reflected such a Munich line of thinking. ... Some people take the lead in appeasing

[27] "Chou En-lai's Reports on the International Situation," *Issues and Studies* (Taiwan) 13 (January 1977), 113-27, at 127.
[28] *The Theory of the Three Worlds* (fn. 25), 29-30.
[29] Lieberthal (fn. 2), 99-100.
[30] *The Tenth National Congress of the Communist Party of China (Documents)* (Beijing: Foreign Languages Press, 1973), 23-24.
[31] Kissinger (fn. 2, 1982), 55, 67, 690.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

> and making concessions to the expansionists, attempting to shift this strategic focus by recognizing their sphere of influence. . . .[32]

The P.R.C. was not encouraged by U.S. foreign policy in the first half of the Carter administration. *Renmin Ribao*, alluding to Carter, charged that "certain leading figures" in the U.S. ruling elite, similar to such "advocates of appeasement" as Neville Chamberlain, were trying to "divert the Soviet peril to the east, to China."[33] When the Soviet Union intensified its encirclement of China by increasing its influence in Vietnam and Cambodia, Hua Guofeng voiced similar fears.[34]

Clearly, then, Chinese leaders were dependent upon the United States for security against the Soviet Union and feared that U.S.-Soviet détente might develop to China's disadvantage. The fact that they regarded their security relationship with the United States as tenuous, at best, affected China's bargaining position. Fear of abandonment and isolation undermined China's ability to threaten the United States if Washington did not accede to the P.R.C.'s demands, for a break with the U.S. would mean a return to the isolation of the dual-adversary policy. The United States, on the other hand, could risk a break with China, because détente with the Soviet Union had minimized America's isolation. This asymmetrical relationship so diminished China's bargaining strength that Beijing preferred to shelve the disputed issues rather than having to bargain from a position of weakness. Geng Biao, head of the International Liaison Department of the Central Committee of the CCP, reportedly made just this point by arguing that if

> we put the two superpowers together and deal with them one after another, the outcome will be unthinkable. Therefore, for the sake of survival, we must, in the first place, give one up and win the other over. From the strategic point of view as a whole: if we shelve the China-U.S. controversy, we will be able to cope with one side [the Soviet Union] with all-out efforts. . . . Therefore, striving to foster good China-U.S. relations to diminish one enemy . . . [is] put forth in accordance with the requirements of the situation.[35]

He explained that only when Chinese leaders regarded "the time as ripe" would the P.R.C. tell "Uncle Sam . . . [to] pack up your things

[32] *Xinhua*, October 5, 1976, *FBIS/DR*, October 6, 1976, p. A3. Also see Beijing Domestic Service, May 22, 1976, *FBIS/DR*, May 24, 1976, pp. A11-12.

[33] Jen Ku-ping, "The Munich Tragedy and Contemporary Appeasement, *RMRB*, November 26, 1977, in *Peking Review*, Vol. 20, No. 50 (December 9, 1977). Also see, for example, *The Theory of the Three Worlds* (fn. 25), 47-48.

[34] *Documents of the First Session* . . . (fn. 26), 101.

[35] "Keng Piao's Talks on 'A Turning Point in the China-U.S. Diplomatic Relations,'" *Issues and Studies* (Taiwan) 13 (January 1977), 129.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

and go."[36] Earlier, Qiao Guanhua had also argued for the necessity of conflict-free U.S.-China relations, urging that China should treat the two superpowers separately; "otherwise, if we push too hard, they may be forced to unite" and increase China's foreign policy difficulties.[37]

Such statements reflected actual Chinese policy toward the most conflictual issue in the relationship—the status of Taiwan. At no time between the Shanghai Communiqué and 1979 did the P.R.C.'s diplomats ever suggest that the U.S. downgrade its ties with Taiwan as a precondition of continued good relations. On the contrary, Chinese leaders emphasized again and again that the Taiwan issue was not crucial to stable relations; they repeatedly overlooked developments in U.S.-Taiwan relations.

In February 1973, Zhou Enlai surprised Henry Kissinger when he accepted the latter's casual suggestion that the United States establish a liaison office in Beijing and offered reciprocity. Washington had assumed that the P.R.C.'s envoys would never appear where Taiwan officials served in an official capacity. But, because China wanted to move ahead in the relationship, it did not press for U.S. concessions on Taiwan. Later that year, Mao told Kissinger that "we can do without Taiwan for the time being, and let it come after one hundred years. . . . Why is there the need to be in such great haste?" He further offered, "As for your relations with us, I think they need not take a hundred years. . . . But that is to be decided by you. We will not rush you."[38]

In 1975, despite the absence of formal improvement in relations, the Chinese still wanted President Ford to visit the P.R.C. Fearful that the trip might be cancelled because of America's desire to avoid the P.R.C.'s polemics, Beijing emphasized its patience regarding Taiwan and assured Washington that it wanted the President's visit to take place regardless of the lack of progress toward normalization. When Ford arrived, Deng Xiaoping emphasized that normalization would have to take place "eventually." Ford noted that Deng "seemed in no hurry to press for full diplomatic recognition or the termination of our long-standing commitments to Taiwan."[39] U.S. congressional delegations visiting the P.R.C. in 1975 reported similar attitudes.[40] This situation also characterized the early years of the Carter administration. In 1978, Hua Guofeng insisted

[36] *Ibid.*, 130-31.

[37] "Ch'iao Kuan-hua's Address, May 20, 1975," *Issues and Studies* (Taiwan) 11 (December 1975), 95.

[38] Kissinger (fn. 2, 1982), 60-63, 691-92.

[39] A. Doak Barnett, *China and the Major Powers in East Asia*, 206, 383-84, n. 143; Sutter (fn. 2), 38; Ford (fn. 2), 337.

[40] Sutter (fn. 2), 24-25.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

on Chinese conditions for normalization, but suggested that in the absence of normalization the P.R.C. still hoped to "increase contacts ... and promote mutual understanding" between the two countries.[41]

The foreign policy makers' avoidance of conflict is also reflected in P.R.C. media and Foreign Ministry materials. *Xinhua*'s attack on Senator Goldwater's March 1976 statement of support for Taiwan was a rare exception, as was strident impatience over the Taiwan issue on the part of Chinese officials during Senator Hugh Scott's visit to Beijing in July of that year. A low-level protest in 1975 against Washington's cancellation of a visit by a Chinese singing group because of its selection of a song calling for the liberation of Taiwan was the first authoritative statement criticizing U.S. Taiwan policy since 1972. The only high-level criticism during this period—a Foreign Ministry attack on American "connivance" with *Tibetan* "traitors" residing in the United States[42]—only underscored the P.R.C.'s usual silence on the role of Taiwan in U.S.-China relations.

Beijing's patience on the Taiwan issue was not due to U.S. respect for Chinese sensitivities or progress in distancing itself from Taiwan. Although the United States had removed its last offensive weapons from the island by May 1975, other acts reaffirmed its commitment to Taiwan. Between 1973 and 1975, Washington appointed a senior diplomat to serve as ambassador to Taibei, permitted Taiwan to open two additional consulates in the United States, failed to complete the withdrawal of U.S. troops from Taiwan, and sold additional military hardware to Taiwan on credit. When Saigon fell to North Vietnamese forces in April 1975, President Ford, in a clear reference to the U.S.-Taiwan Mutual Defense Treaty, declared that it was his "aim" to "reaffirm our commitments to Taiwan." Although the P.R.C. appeared unhappy with these developments, and U.S.-China relations remained stagnant, it failed to press the point.[43] The one instance in which China did challenge the U.S. on the Taiwan issue occurred in 1977, in the aftermath of Secretary of State Cyrus Vance's visit to Beijing. Chinese leaders were angry, not because of lack of progress toward normalization, but because Washington gave the impression that China had compromised on its normalization conditions.[44]

That its strategic vulnerability in the romantic triangle was Beijing's

[41] Hua's statement is in *Documents of the First Session* ... (fn. 26), 111-12.
[42] Sutter (fn. 2), 21, 24-25, 46; Barnett (fn. 39), 384, n. 144.
[43] The ambassador was Leonard Unger. On this and other aspects of U.S.-Taiwan relations, see Barnett (fn. 39), 205-07, 223-25, 383, n. 142.
[44] Vance (fn. 2), 79-83.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

primary concern is reflected in the actual focus of the P.R.C.'s diplomacy. Rather than harping on U.S.-Taiwan relations, Beijing relentlessly criticized U.S. policy toward the Soviet Union and the detriments of détente, seeking to encourage Washington to abandon détente in favor of a more aggressive global policy. If successful, the Chinese policy would reduce the probability that the U.S. would abandon the P.R.C., and thus would improve Beijing's bargaining position in U.S.-China relations.

When Kissinger met with Zhou Enlai in 1973, the Chinese Premier skirted the Taiwan issue and concentrated on Soviet policy. When he visited China in 1975, Kissinger was subjected to a long diatribe on America's alleged lack of resolve in dealing with the Soviet Union. Mao insisted in his conversations with President Ford that Washington had to stand up to Moscow's attempt to achieve hegemony, and that the U.S. had to maintain its strategic role in East Asia. Deng asserted that resistance to Soviet ambitions was "a more important question" than Taiwan. During the Carter administration, the P.R.C. continued to equate U.S.-Soviet détente with U.S. appeasement, and gave little attention to Taiwan.[45] The common elements during this period were patience regarding bilateral conflicts and vociferous opposition to U.S.-Soviet détente. Once détente began to crumble and the United States lost the pivot position in the U.S.-Soviet-P.R.C. triangle, China shifted the focus of its criticism to more conflictual bilateral issues.

The Quiet Years and Chinese Domestic Politics

Although the international environment of foreign policy making explains a great deal of China's U.S. policy, Chinese domestic politics also affected U.S.-China relations after the Shanghai Communiqué. Our problem lies in determining the influence of domestic politics in the context of the limits of choice imposed by the pattern of triangular politics.

Zhou Enlai's and Mao Zedong's decision to seek rapprochement with the United States was not universally popular among the Chinese elite. Jiang Qing, Mao's wife, believed that China's U.S. policy was both unnecessary and too conciliatory; she insisted that "although we do not have 'white friends,' 'big friends' and 'wealthy friends,' we are not isolated." She argued that China's dual adversary policy was not dan-

[45] Kissinger (fn. 2, 1982), 47; Sutter (fn. 22), 115-16; Ford (fn. 2), 336-37; *FBIS, Trends in Communist Media*, October 27, 1977, pp. 1-4, and November 30, 1977, pp. 8-10; *Xinhua*, May 20, 1978, *FBIS/DR*, May 22, 1978, pp. A2-3. On the Carter period, see the discussion of Brzezinski's May 1978 visit to China, in *FBIS, Trends in Communist Media*, May 24, 1978, pp. 1-2.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

gerous and that the P.R.C.'s relations with Third World countries were sufficient to deter the Soviet Union from infringing upon Chinese interests. Hence, she saw little need to establish close relations with the American "imperialists": "It is impossible to attain the final victory of the socialist revolution by departing from national independence and development of the national economy. It is on this point that we are different from the opportunists."[46] Zhou, however, did believe China was isolated and he thus sought "friends" whom Jiang Qing considered unacceptable. When Jiang Qing and her colleagues, the so-called "Gang of Four," were ousted following the death of Mao, elite opposition to China's U.S. policy remained. In 1977, the Chinese media reflected two foreign policy themes. One emphasized that the P.R.C. should lean to the West; the other emphasized self-reliance and unity with the Third World, in opposition to both the United States and the Soviet Union.[47] Taiwan was often the focal point of the opposition, as some leaders were impatient with the lack of progress toward unification.[48]

In the debate within the leadership, the political opposition used the Taiwan issue to criticize Beijing's foreign policy makers. It also influenced the content of China's media. In the midst of the 1973-1974 anti-Confucius campaign which aimed to weaken Zhou Enlai's political power, and for some time thereafter, the media intensely criticized Western and American societies. Implicit in this criticism was an attack on Zhou Enlai's policy toward the United States.[49]

It is suggestive, however, that both the media and Chinese leaders never directly attacked U.S.-Taiwan relations. The circumspect nature of the assault underscores the limited impact of the opposition and of its policy preferences. Indeed, there is no evidence that those opposed to China's U.S. policy after the Shanghai Communiqué had any direct role at all in the policy-making process.[50] It seems that the consensus among those actually involved in making foreign policy was that implicit Chinese alignment with the United States was essential given China's international circumstances, and that the Taiwan issue should not be a

[46] "Chiang Ch'ing's Address to Diplomatic Cadres," *Classified Chinese Communist Documents: A Selection* (Taipei: Institute of International Relations, 1978), 538-39.

[47] William DeBerard Mills, *Sino-Soviet Interactions, May 1977-June 1980*, Ph.D. diss. (University of Michigan, 1981), 76-77, 102-07, 138-41.

[48] Zhou often encountered criticism over Taiwan. See "Chou En-lai's Report on International Situation, March 1973," *Issues and Studies* (Taiwan) 13 (January 1977), 113-27, at 126; Kissinger (fn. 2, 1982), 679-81, 684.

[49] See Sutter (fn. 2), 35; Lieberthal (fn. 2), 112-13; Barnett (fn. 39), 205.

[50] Ng-Quinn (fn. 2), 212-15, overstates the case, I believe, when he argues that debates over Chinese foreign policy remained merely debates, solely reflecting attempts to secure domestic political support, and never influencing foreign policy outputs.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

subject of U.S.-China negotiations. The potential for conflict with the United States, and resultant isolation, effectively squelched the competing foreign policy options. The romantic triangle, with Washington holding the pivot position, shaped the debate in Beijing; dependence on the U.S. restricted the viability of alternative policy options, undermining the influence of those leaders who criticized existing policy.

That international politics influenced domestic Chinese political interactions does not negate the role of domestic politics in foreign policy. Although Jiang Qing and her supporters were unable to bring about China's detachment from the United States, the political impact of their criticisms was sufficient to deter Zhou Enlai from seeking compromise and made marginal incremental improvement politically difficult. Here we see the impact of Chinese domestic politics on U.S.-China relations between 1972 and 1978. Zhou Enlai made this quite clear to Henry Kissinger. Zhou understood that compromise on Taiwan would make U.S.-China ties unpopular in China, thus undermining the security relationship, and proposed that the two sides maintain the status quo on the Taiwan issue.[51] Chinese domestic politics similarly affected President Ford's visit to the P.R.C. in late 1975, obstructing further improvement in U.S.-China relations regardless of American intentions. According to Michel Oksenberg,

> from 1974 through 1976, as Zhou Enlai's political position eroded under attacks from the radical "Gang of Four," the Premier's ability to protect and advance the issues under his control weakened. By 1975, it was impossible for him or for Deng Ziaoping to bring fresh initiatives to the relationship with the United States.[52]

When Secretary of State Cyrus Vance visited China in mid-1977, it was clear that Deng Xiaoping was in no mood to make concessions. He had lost his position in April 1975 and had yet to consolidate his power within the post-Mao leadership. Although he did not yield to domestic pressure to raise conflictual issues, neither could he appear willing to compromise. Thus, he challenged the U.S. position—that the visit was a success and that the P.R.C. was flexible on the Taiwan issue and the terms of normalization—declaring that Vance's mission had caused a "setback" in U.S.-China relations.[53]

Because of the impact of the international environment, domestic

[51] Kissinger (fn. 2, 1982), 679-81, 684.

[52] Oksenberg, "The Dynamics of the Sino-American Relationship," in Richard Solomon, *The China Factor* (Englewood Cliffs, NJ: Prentice Hall, 1981), 72-73.

[53] Michel Oksenberg, "A Decade of Sino-American Relations," *Foreign Affairs* 61 (Fall 1982), 175-95, at 182-83; Vance (fn. 2), 82-83; *New York Times*, September 7, 1977, pp. 1, 2. In 1977, Oksenberg was responsible for Chinese affairs on the National Security Council.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

pressure did not succeed in bringing about the adoption of a hard line. A stable relationship was sufficient to avoid damaging domestic criticism. Perhaps most revealing was Hua Guofeng's apparent shift in policy preference between the time he was first in power following the death of Mao and the purge of the "Gang of Four," and the later period from mid- to late-1977, when Deng Xiaoping assumed greater responsibility for Chinese foreign policy. Initially, when Hua was responsible for Chinese foreign policy, he was quick to express support for maintaining the status quo in U.S.-China relations.[54] Although there had been a transition in leadership, policy remained the same. As responsibility for policy shifted to Deng Xiaoping in 1977, policy also remained the same, but Hua Guofeng's position shifted. He now called for P.R.C. equidistance between the superpowers and attacked Deng Xiaoping on the Taiwan issue.[55]

U.S.-China politics during this period also reflected the problem of a dual audience. When Alexander Haig traveled to Beijing in January 1972, Zhou Enlai used the occasion to defend himself against domestic charges of weakness toward the "imperialists." At a midnight meeting with Haig, in the presence of various Chinese "cabinet members," the Chinese press, and television cameras, Zhou "launched into a vitriolic denunciation of the United States." When Haig protested, Zhou "clapped his hands," the cabinet and the journalists departed, and the two statesmen held a serious discussion until three o'clock that morning.[56] Zhou had his footage for the domestic audience and could now talk business with the representative of "imperialism." Other government and media statements undoubtedly served similar purposes; they certainly did not reflect a new challenge to the status quo in U.S.-Taiwan relations.

It thus appears that from 1972 to 1978, the P.R.C.'s leaders consistently adopted their predecessors' foreign policy, while those out of power—regardless of their preference when in power—consistently criticized the established policy. Demands for a less aligned policy toward the United States apparently had domestic political purposes which inhibited new initiatives, but which did not promote initiatives that sought to

[54] See, for example, the statement of the Central Committee of the CCP, the Standing Committee of the National Peoples' Congress, the State Council, and the Military Commission of the CCP, *Xinhua*, November 2, 1976, *FBIS/DR*, November 2, 1976, pp. A1-2; Chiao Guanhua's speech to the U.N. General Assembly, *Xinhua*, October 5, 1976, *FBIS/PRC*, October 6, 1976, pp. A1-6; *Agence France Presse*, November 1, 1976, *FBIS/DR*, November 2, 1976, pp. A2-3. Also see *FBIS, Trends in Communist Media*, September 22, 1976, p. 7; October 6, 1976, pp. 10-11; November 3, 1976, pp. 6-7; November 17, 1976, p. 7.

[55] Mills (fn. 47), 76-77, 82-85, 132-33.

[56] Haig (fn. 1), 201-02.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

force the Taiwan issue or to distance the P.R.C. from the United States. The consistency of policy, the lack of initiative, and the role of the domestic opposition were the result of the limits of choice imposed by China's weak bargaining position in the U.S.-Soviet-P.R.C. triangle, which was in turn a product of the era's pattern of relations.

The Collapse of Détente and the New Era in U.S.-China Relations

The pattern of the triangular relations of the 1970's began to change in the middle of the Carter administration. The first steps had occurred in 1975, following Soviet-Cuban cooperation in Angola and the fall of Saigon. Later developments in Ethiopia aggravated Washington's suspicions that even minimal cooperation with the Soviet Union might not be possible. Although the Carter administration initially pursued cooperation between the United States and the Soviet Union, it gradually became less sanguine about Moscow's intentions. Deployment of Cuban troops in the Horn of Africa in mid-1977 and difficulties of reaching an arms control agreement with Moscow encouraged a more confrontational policy. The discovery of Soviet combat troops in Cuba and the Soviet invasion of Afghanistan ultimately changed Washington's policy.[57] U.S.-Soviet détente died on the battlefields of Afghanistan.

As the Soviet Union came to appear more ominous, China grew more valuable to the United States as a strategic ally. National Security Advisor Brzezinski's visit to China in May 1978 was impelled by his belief that the Soviets' "misuse of détente" had made a "strategic response ... necessary."[58] Normalization of relations in late 1978 merged with other aspects of U.S. China policy to cause a strategic tilt toward China. It was clear that the United States now sought a "stable marriage" so as to better contend with Soviet U.S. policy. In August 1979, when Vice President Mondale visited Beijing, the P.R.C. received most-favored-nation status, Export-Import Bank credits, investment guarantees, and access to U.S. technical services, none of which were available to the Soviet Union.[59] In January 1980, in response to the Soviet invasion of Afghanistan, President Carter instructed Secretary of Defense Harold Brown that during his visit to Beijing he should propose U.S. sales of nonlethal military equipment to the P.R.C., including ground telecommunication stations that could receive data (with military uses) from

[57] On Carter's changing Soviet policy, see Brzezinski (fn. 2).
[58] *Ibid.*, 203-04; Vance (fn. 2), 116.
[59] Sutter (fn. 2), 83-84.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

U.S. satellites. These developments reflected the end of American even-handedness between Moscow and Beijing and the beginning of a U.S.-China military relationship that was "traceable to the rapidly growing Soviet military might . . . and to Soviet intervention in southern Africa, the Horn of Africa, Indochina and Afghanistan."[60]

In response to these changes in U.S. policy, the Chinese media increasingly depicted the United States as rising to the challenge of Soviet "hegemonism" and abandoning appeasement. In 1979, before the Soviet Union invaded Afghanistan, *Shijie Zhishi* (World Affairs) observed that the United States had begun to carry out "certain adjustments in its strategy toward the Soviet Union." In U.S. Soviet policy, "the trend of taking the 'offensive while being on the defensive' is gradually increasing."[61] Zhuang Qubing of the Foreign Ministry's Institute of International Studies argued in *Shijie Zhishi* that the supporters of appeasement are decreasing and that there are "more and more people who advocate that the U.S. administration should 'change course,' revise its strategy . . . and 'seek peace through strength,' [and] increase the military budget . . . in order to . . . realistically and effectively deal with Soviet 'global' expansion." Nevertheless, it was too early to determine the course of U.S. policy, for "there is still so much debate in the U.S. that no concensus can be reached, and recently this debate has further sharpened."[62]

Washington's response to the Soviet invasion of Afghanistan reinforced the Chinese leaders' perception of a new anti-Soviet direction in U.S. policy. Zhuang Qubing now wrote that there was a clear change in U.S. Soviet policy and that the United States had "adopted several measures to resist the Soviet Union which it had not previously adopted," including establishing strategic relations with China. He also predicted that "from now on, the United States and the Soviet Union will unavoidably open a new round of the arms race, and the global rivalry between the two sides will further sharpen."[63] *Renmin Ribao* maintained that the increase in the U.S. defense budget "marks a major change in

[60] Oksenberg (fn. 53), 191. On Brown's visit, see Sutter (fn. 2), 86.

[61] Zeng Qing, "Meiguo dui Su zhanlue de dongxiang" [The trend in U.S. strategy toward the Soviet Union], *Shijie Zhishi*, No. 6 (March 16, 1979), 5. Unless otherwise noted, translations are by the present author.

[62] Zhuang Qubing, "Meiguo dui Meisu junshi liliang duibi de jizhong kanfa" [Various U.S. views of the U.S.-Soviet balance of military strength], *Shijie Zhishi*, No. 2 (January 16, 1979), 14-15. Also see, for example, Chen Xiong and Yao Mei, " 'Lianggeban zhangzheng' yu 'yigeban zhanzheng' " [Two-and-a-half war and one-and-a-half war], *Shijie Zhishi*, No. 23 (December 1, 1979), 3-5; Fang Zhidan, "Illusion and Reality," *RMRB*, May 14, 1979, *FBIS/DR*, May 24, 1979, pp. A1-4; Bu Qing, "Contention in the Persian Gulf," *RMRB*, August 7, 1979, *FBIS/DR*, August 15, 1979, pp. A1-2.

[63] Zhuang Qubing, "Meiguo dui Su zhengce de xin quxiang" [The new trend in United States policy toward the Soviet Union], *Shijie Zhishi*, No. 3 (February 1, 1980), 2-3; Hu

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

U.S. defense policy." Moreover, Washington "altered its position of avoiding military involvement in 'regional conflicts' and has put forward . . . the 'Carter Doctrine' . . . with a view to protecting U.S. interests in the Middle East and the Persian Gulf. . . ." Overall, *Renmin Ribao* was pleased that the United States now held a "realistic appraisal" of the Soviet Union. Détente was now a thing of the past, as

> it is quite impossible to return to the bygone situation of East-West relations. Antagonism will be the main feature in the relations between the two countries in the foreseeable future. . . . the tendency toward intensive contention . . . is irreversible."[64]

Similar analyses appeared throughout the year—to the effect that the Soviet Union had "fallen into unprecedented isolation," that superpower contention in the Mediterranean was "still sharpening," and that future Soviet-American arms control agreements were highly unlikely.[65]

Chinese leaders were no longer so concerned about the prospects of expanded Soviet-American détente and anti-P.R.C. collusion, or afraid of U.S. abandonment of China. Despite its implications of Soviet "encirclement" of China, Moscow's invasion of Afghanistan was a clear plus for Chinese interests, for it altered U.S.-China dependency relations. In late 1980, Deng Xiaoping maintained that Washington "alone is not in a position to deal with Soviet hegemonism. The Soviet challenge can only be coped with if the United States strengthens unity with its allies and unites its strength with all the forces that are resisting the Soviet challenge. . . ."[66] In view of Washington's intentions, it was ironic that the U.S. quest for a stable marriage reduced the P.R.C.'s dependence and altered the U.S.-China bargaining relationship so that Beijing no longer feared the implications of conflict with the United States. But such was the nearly inevitable outcome of the shift in the triangular pattern of relations. The result was actually increased instability in U.S.-

---

Zhengqing and Zhuang Qubing, "Meiguo weishenma xiuding hezhanlue [Why did the U.S. revise its nuclear strategy?], *Shijie Zhishi*, No. 18 (September 16, 1980), 10-11.

[64] Juan Xiang, "New Development of U.S. Military Posture Toward the Soviet Union," *RMRB*, March 25, 1980, *FBIS/DR*, March 27, 1980, pp. B1-4.

[65] See, for example, Commentary, "New 'Proposal,' Old Tricks," *Xinhua*, May 24, 1980, *FBIS/DR*, June 3, 1980, pp. C1-2; Zhang Qihua, "The European Security Conference and the Security of the Mediterranean," *RMRB*, September 12, 1980, *FBIS/DR*, September 22, 1980, p. A3-5; Fang Min, "The Unpredictable New Round of U.S.-Soviet Nuclear Talks," *RMRB*, October 15, 1980, *FBIS/DR*, October 23, 1980, pp. A2-3. Also see Li Dai, "Afuhan shijian qiangdongle quanshijie" [The Afghanistan incident affected the whole world], *Shijie Zhishi*, No. 6 (March 16, 1980), pp. 2-5.

[66] Jonathan Pollack, *The Lessons of Coalition Politics: Sino-American Security Relations* (Santa Monica, CA: Rand, 1984), 76-77.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

China relations, as Deng Xiaoping and other Chinese leaders emphasized independence from the United States and pressed China's interest in reducing the cost to Beijing of good U.S.-China relations in terms of Taiwan's relationship with the United States.

Chinese policy toward the Taiwan issue was further influenced by Beijing's involvement in negotiations with the Soviet Union. No longer so fearful of abandonment by the U.S. and of Soviet expansion, Beijing had greater confidence in talking with Moscow. Chinese leaders had flirted with the idea of conducting serious negotiations with the Soviet Union before 1979,[67] but they were unable to turn such ideas into policy, for their fear of isolation weakened their bargaining position vis-à-vis the Soviet Union. Now that America had committed itself to China, the P.R.C. could seek a reduction in Sino-Soviet tensions from a strengthened position.[68]

In early April 1979, China informed the Soviet Union that it would not renew the 30-year Sino-Soviet treaty of 1950. Simultaneously, it offered to open negotiations with Soviet leaders. A short time later, Beijing suggested that the two sides conduct general negotiations with no preconditions. Through October 17, there were five preliminary meetings and six sessions at the deputy foreign ministerial level. Although the talks did not yield any concrete achievements, they were the first serious Sino-Soviet negotiations in 15 years.[69] Even though the Soviet invasion of Afghanistan obstructed progress, Chinese leaders continued to signal their interest in moderated Sino-Soviet tension. They waited nearly three weeks after the invasion to suspend negotiations, feebly arguing that the new circumstances were "apparently" inappropriate. In early February 1980, Chinese leaders met as scheduled with their Soviet counterparts to discuss arrangements for river navigation.[70] Thus, in 1979, concurrent with the deterioration of Soviet-U.S. détente and the Carter administration's quest for a stable marriage with China, a small but significant change took place in relations between Beijing and Moscow. The contrast is striking between these developments and the situation a mere three years earlier, when Moscow sought improved relations after Mao's death and was rebuffed by Chinese leaders.[71]

[67] On the nuances of China's Soviet policy, see Lieberthal (fn. 2); Harding (fn. 2).

[68] For early, relatively sanguine views of the Soviet Union, see Chen Xiong, "Dangqian Sumei zhanlue taishi" [The current Soviet-U.S. strategic situation], *Shijie Zhishi*, No. 12 (June 16, 1979), 1-5; "New 'Proposal,' Old Tricks" (fn. 65).

[69] See William Hyland, "The Sino-Soviet Conflict: Dilemmas of the Strategic Triangle," in Solomon (fn. 52), 141-45: *Kyodo News Service*, October 18, 1979, *FBIS/PRC*, October 18, 1979, p. C1.

[70] Mills (fn. 47), 248-50.

[71] Hyland (fn. 69), 140.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Under these conditions, progress toward the unification of Taiwan and the mainland now became a major component of the P.R.C.'s policy. China was no longer content to wait indefinitely, but initiated a policy designed to expedite the process. The change was evident in Deng Xiaoping's speeches. In January 1980, in an important speech, Deng announced that in the 1980s, "we must work hard to achieve" reunification of Taiwan with the motherland, and "even though there will still be complications of various sorts, ... from [the] beginning it is a great issue that will be placed on our agenda."[72] In May of the same year, he stated that peace in Asia would be served if Taiwan "returned to the motherland at an earlier date. ..."[73]

The first Chinese initiative followed President Carter's decision of June 1980 to allow U.S. companies to discuss the sale of the so-called FX jet fighter to Taiwan.[74] Although the United States had sold advanced weapons to Taiwan in the mid-1970s and had made clear that it would continue to sell defensive weapons to Taiwan after normalization,[75] the P.R.C.'s leaders, for the first time since the Shanghai Communiqué, strongly challenged U.S. policy. A *Xinhua* commentary criticized the decision, as well as transfers of large amounts of military equipment to Taiwan in 1979 and 1980, warning that U.S. arms sales to Taiwan were "harmful" to U.S.-China relations and were "bound to aggravate tension in the Taiwan Strait. ..." It issued a "strong demand" that the United States "stop forthwith its arms sales to Taiwan."[76] Such forceful language concerning Taiwan had not been heard since 1972.

A similar situation occurred later in 1980 when Washington granted diplomatic immunities and privileges to representatives of the Taiwan government. U.S. Ambassador Woodcock was summoned to Beijing's Foreign Ministry, where he received a protest note expressing the P.R.C.'s "unhappiness and concern" regarding U.S.-Taiwan relations. An authoritative Commentator article in *Renmin Ribao* insisted that this policy was "completely unacceptable" because it reflected a "two-China" policy. The paper suggested that U.S. failure to accept the P.R.C.'s

[72] *Deng Xiaoping Wenxuan* [Selected works of Deng Xiaoping] (Beijing: Renmin Chubanshe, 1983), 203-04.

[73] *Xinhua*, May 14, 1980, *FBIS/DR*, May 14, 1980, p. D2.

[74] "FX" was the name of two models of aircraft considered for sale to Taiwan. On the issue involved, see A. Doak Barnett, *The FX Decision: "Another Crucial Moment" in U.S.-China-Taiwan Relations* (Washington, DC: The Brookings Institution, 1981); Sutter (fn. 2), 81.

[75] See Vance (fn. 2), 117; Brzezinski (fn. 2), 231.

[76] Commentary, "Do No Harm to Sino-U.S. Relations," *Xinhua*, June 20, 1980, *FBIS/DR*, June 23, 1980, pp. B2-3. Also see *FBIS, Trends in Communist Media*, June 25, 1980, pp. 7-8. For a later indirect threat of greater conflict with the U.S., see the pro-P.R.C. Hong Kong newspaper *Wen Wei Po*, October 22, 1980, *FBIS/DR*, October 27, 1980, pp. U1-2.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

demands might lead to greater U.S.-China conflict and would be harmful to cooperation against Moscow. The decision of whether or not to pursue continued development of U.S.-China relations or "reverse them" was said to be of "major strategic importance" to U.S. leaders.[77] For the first time since rapprochement, the P.R.C. was threatening the U.S. with a "reversal" of relations if Washington did not alter its policy.

During the 1980 presidential campaign, Beijing criticized Ronald Reagan's promise to resume official relations with Taiwan. *Renmin Ribao*, reflecting China's heightened confidence that it was no longer dependent on the U.S. and that U.S. abandonment of the P.R.C. was less likely than before, declared that "those who think that China is willing to develop ties with the United States because China needs its help, or that China, in order to maintain its relations with the United States, will eventually swallow the bitter pill prepared by Reagan are daydreaming and miscalculating."[78] A *Renmin Ribao* commentary added that if Reagan's proposals were carried out, there would be a "grave retrogression in Sino-U.S. relations" and his policy would have a "serious harmful effect on the struggle against hegemonism. . . ."[79] Although these and similar articles were directed at Reagan, together with P.R.C. objections to U.S. arms sales to Taiwan and to the granting of diplomatic immunities and privileges to Taiwan representatives, they conveyed to both Reagan and President Carter Beijing's new strategic outlook and the new aggressiveness in China's Taiwan policy.[80]

Thus, the P.R.C. adopted a more aggressive U.S. policy during the latter part of the Carter administration in response to changes in the triangular pattern of relations and in U.S.-China relations. The Reagan administration's policies furthered these changes and led Beijing to increase its pressure on the United States to weaken its relationship with Taiwan. As in 1979 and 1980, it was U.S. Soviet policy and its implications for triangular politics that most affected China's bargaining position and its attitude toward the Taiwan issue.

[77] On the protest note, see *Xinhua*, October 15, 1980, *FBIS/PRC*, October 16, 1980, p. B1; *Agence France Presse*, October 11, 1980, *FBIS/DR*, October 14, 1980, p. B1. The Commentator article cited is "An Inadvisable Move" *RMRB*, October 9, 1980, *FBIS/DR*, October 9, 1980, pp. B1-2. *Shijie Zhishi* issued a similar warning; see Wen Fu, "Sunhai Zhongmei guanxi de Meiguo 'yu Taiwan guanxifa' " [The United States "Taiwan Relations Act," which harms U.S.-China relations], *Shijie Zhishi*, No. 21 (November 1, 1980), 14-15. For additional information, see *FBIS, Trends in Communist Media*, October 16, 1980, pp. 1-3.

[78] Zhou Lifang and Zhou Cipu, "George Bush's Difficult Mission," *Xinhua*, August 23, 1980, and *RMRB*, August 24, 1980, *FBIS/DR*, August 25, 1980, pp. B2-3.

[79] Benkan Pinglunyuan [*RMRB* Commentator], "Ligen xiang ba Zhongmei guanxi yinxiang nali?" [Where does Reagan intend to lead Sino-U.S. relations?], *RMRB*, August 28, 1980.

[80] Also see Pollack (fn. 66), 67-68.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Ronald Reagan entered office with a record of hostility for the Soviet Union, and his arms control position and proposed defense budget indicated an intention to challenge, rather than to appease, Moscow's alleged ambitions. Chinese leaders were keenly aware of the shift in policy. In *From Hollywood to the White House*, one analyst observed that Reagan "criticizes the past few administrations . . . , emphasizing that détente is only a 'fantasy,' that the cold war never ended, and that peace cannot be achieved through concession and compromise." He "takes practically every problem as part of the U.S.-Soviet struggle for hegemony" and believes that East-West competition is "unavoidable" and "continually intensifing."[81] *Shijie Zhishi* observed that the new administration "*clearly states that it takes resistance to Soviet expansion as the central link of its foreign policy*." Although the Carter administration responded to the Soviet invasion of Afghanistan with a "new policy of containment, . . . it did not put forward a set of new strategic concepts." By contrast, Reagan and his associates "stress that the Soviet Union is 'the root cause of all troubles.' . . ." In all, "an important change" had taken place.[82] In 1981, *Xiandai Guoji Guanxi* (Contemporary International Relations) maintained that, compared to Carter, Reagan "has paid greater attention to increasing . . . military strength to engage in global struggle with the Soviet Union" and that he believes that the United States "must speed up military preparation" to deal with increased Soviet power.[83] Reagan's electoral victory was explained as America's response to the "new low" in its international position and to the possibility that it would become a "second-class power, militarily inferior to the Soviet Union." Americans sought a "new leader" to end the "trend of their country's declining position in the world." Reagan's victory was a result of this "historical setting."[84]

By the middle of 1981, Chinese leaders were convinced that there was no possibility that U.S.-Soviet relations would improve. When Reagan expressed a desire to open discussions with Moscow on theater nuclear forces in Europe, *Renmin Ribao* saw it as a mere propaganda ploy: "It makes no difference" whether or not the two sides hold talks,

[81] Yi Bianzhu, *Cong Haolaiwu dao Baigong* (Beijing: Shishi Chubanshe, 1981), 56-59.

[82] Zhuang Qubing, "Ligen de waijiao qiju" [Reagan's diplomatic chessboard], *Shijie Zhishi*, No. 6 (March 16, 1981), 2-3 (emphasis in original). On Reagan's arms control policy, see Strobe Talbott, *Deadly Gambits* (New York: Harper & Row, 1984).

[83] Wang Qianqi, "Ligen zhengfu de junshi zhanlue [The military strategy of the Reagan administration], *Xiandai Guoji Guanxi*, No. 1 (October 1981), 22. Also see Gao Bo and Yu Lei, "Sulian nanxia zhanlue ji qi mianlin de zuli" [The Soviet strategy of thrusting southward and the impediments it faces], *Xiandai Guoji Guanxi*, No. 1 (October 1981), 12-15.

[84] Jin Junhui, "Ligen zhengfu de duiwai zhengce" [The foreign policy of the Reagan administration], *Guoji Wenti Yanjiu*, No. 1, (January 1982), 3.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

"since the struggle is in any case going to continue."[85] In November, on the eve of the talks, a *Renmin Ribao* News Analysis noted that the Reagan administration "has not acted with weakness" in response to Soviet deployments of the SS-20 missile; rather, its plans to deploy the Pershing II missile in Europe "dealt a heavy blow" to the Soviet Union.[86] China's confidence in continued U.S.-Soviet hostility and its skepticism of Reagan's calls for negotiations continued throughout 1982. By June of that year, a *Renmin Ribao* Special Commentary declared that an arms race was well underway and that "it cannot be stopped even if both sides wished to" stop it. The superpowers' arms race and their "tit-for-tat war preparation activities have become increasingly more intense and dangerous."[87] Chinese leaders, who had once been preoccupied with détente and with an alleged U.S. plan to divert the Soviet threat eastward, were now confident that the new Soviet-U.S. cold war would continue unabated.

Thus, the changes in Soviet-U.S. relations in 1979 and 1980 intensified under the Reagan administration. The U.S. had irrevocably lost the pivot seat in the strategic triangle; there was no longer any possibility of restoring détente with the Soviet Union, and there was even less possibility of isolating the P.R.C. because the U.S. needed China as an ally. Moreover, Beijing's growing sense of independence was enhanced by the Soviet Union's foreign policy. Its occupation of Afghanistan and military and economic support for Cuba and Vietnam, instability in Eastern Europe, and domestic economic troubles weakened Soviet expansionist capability. Although the struggle against hegemonism could not be abandoned, the threat was less immediate.[88]

Chinese confidence was reflected in Beijing's changing global posture. In the 1970s and during most of the Carter administration, Chinese leaders had stressed the importance of close relations with the United States in order to resist Soviet hegemonism; beginning in 1980 and increasingly in 1981, Beijing de-emphasized its strategic relationship with

[85] Yuan Xianlu, "A New Round of Struggle," *RMRB*, September 27, 1981, *FBIS/DR*, September 28, 1981, pp. B1-2.

[86] Fang Min, "On the Eve of the U.S.-Soviet Nuclear Talks," *RMRB*, November 30, 1981, *FBIS/DR*, November 30, 1981, pp. A1-2.

[87] Lu Shipu, "A New Round of the Arms Race Between the Soviet Union and the United States," *RMRB*, June 2, 1982, FBIS/DR, June 3, 1982, pp. A1-3. Also see Chen Weibin, "A Prolonged and Fruitless Process," *Xinhua*, January 12, 1982, *FBIS/DR*, January 13, 1982, p. A1; Fang Min, "Reasons for Reagan's Disarmament Statement and His Stand," *RMRB*, April 7, 1982, *FBIS/DR*, April 8, 1982, pp. B1-3; Fang Min, Special Commentary, "U.S. Dual Tactics Toward the Soviet Union," *RMRB*, June 29, 1982, *FBIS/DR*, June 29, 1982, pp. B1-3.

[88] See A. Doak Barnett, "China's International Posture: Signs of Change," in Richard Bush, ed., *China Briefing, 1982* (Boulder: CO: Westview Press, 1983), 90.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Washington, accentuated the evils of both the superpowers, and stressed China's common interests with third-world countries in opposing superpower hegemonism.[89] China now perceived itself as less dependent on the United States for its security vis-à-vis the Soviet Union, and therefore ended its almost total support for U.S. foreign policy.

Beijing's increasing independence encouraged Chinese leaders to attempt once again to alleviate Sino-Soviet hostility, further improving China's position in the U.S.-Soviet-P.R.C. triangle. In June 1981, *Renmin Ribao* suggested a resumption of border talks. Later in the year, in a favorable response to Moscow's overtures, China and the Soviet Union signed a railway transport agreement.[90] Progress was slow but unmistakable. In April 1982, the two sides agreed to resume border trade and to increase the value of two-way trade by 45 percent, thus reaching the highest level since 1967. Moreover, Chinese propaganda ceased referring to Soviet leaders as "revisionists," thereby making compromise less of an ideological heresy.[91]

After 1979, the issue of arms sales to Taiwan was the primary source of the P.R.C.'s discontent with the United States. China now no longer simply opposed the sale of the FX warplane, but all arms sales to Taiwan. Beijing basically insisted that Washington relinquish its position that it alone would determine the nature of U.S.-Taiwan military relations; it sought to participate in defining and limiting the terms of U.S. arms sales to Taiwan. The negotiations reveal the impact of the triangular pattern of relations on Beijing's bargaining strength, on its U.S. policy, and on the nature of the U.S.-China relationship.

Beijing started by indicating that it did not fear isolation or U.S. abandonment. *Guoji Wenti Yanjiu* (International Affairs), the journal of the Foreign Ministry's Institute of International Studies, noted that China's dependency on the U.S. had changed in recent years. It declared that members of the U.S. elite held an

> old outlook: so long as the United States opposes Soviet expansionism, China will not care very much about the Taiwan issue. . . . If some people still believe that Sino-U.S. relations can only be based on opposition to other countries' hegemonic acts, if this is not a retreat, then what is? If they believe that China will agree to this retreat, if this is not a dream, then what is?[92]

[89] *Ibid.*, 93-96.

[90] See Barnett (fn. 74), 29; Donald Zagoria, "The Moscow-Beijing Detente," *Foreign Affairs* 61 (Spring 1983), 853-73, at 856. Also see Barnett (fn. 88), 92-93.

[91] "Quarterly Chronicle and Documentation," *The China Quarterly*, No. 91 (September 1982), 564-65; Barnett (fn. 88), 90.

[92] Zhuang Qubing, Zhang Hongzeng, and Pan Tongwen, "Ping Meiguo de 'yu Taiwan

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Because the P.R.C.'s Soviet policy is beneficial to U.S. strategic interests, "it is especially ridiculous to say that China has more reason to look to the United States for help."[93] Beijing and Washington no longer experienced "asymmetrical strategic interests," and Chinese leaders were confident that the new administration, due to its own preoccupations with the "Soviet threat," would seek to avoid a deterioration in U.S.-China relations.

This confidence helped to shape an aggressive policy toward U.S.-Taiwan relations. For the first time since the Shanghai Communiqué, Chinese leaders threatened to withhold their cooperation if Washington did not comply with the P.R.C.'s demands. *Guoji Wenti Yanjiu* pointed out that in the 1950s, Moscow mistakenly believed that China's dependence on the Soviet Union meant that Beijing would have to tolerate Soviet demands; the result was the Sino-Soviet conflict. In suggesting that such a situation might develop in U.S.-China relations, the article warned that, for those who have made similar miscalculations concerning Chinese policy toward the U.S., "this history should have educational significance."[94]

When Washington attempted to moderate Beijing's stand by balancing arms sales to Taiwan with arms sales to the P.R.C., Chinese leaders refused to buy U.S. arms and threatened further hostile action. During Secretary of State Haig's visit to Beijing in June 1981, Foreign Minister Huang Hua mentioned the possibility of a "rupture" in the relationship, and Deng pointed out that Chinese patience was limited. U.S.-China relations, he warned, might deteriorate if Washington failed to moderate its stand on the issue. Moreover, during Haig's stay in Beijing, *Renmin Ribao* proposed a Sino-Soviet border agreement. The day after he left China, the P.R.C. media threatened to downgrade relations if the arms sales issue was not resolved, repeating the analogy between the Sino-Soviet conflict and the current instability in U.S.-China relations.[95] When the U.S. persisted in trying to offset arms sales to Taiwan with arms sales to the P.R.C., Chinese leaders reinforced their warnings.[96]

China increased the pressure in late October, when Premier Zhao

guanxi fa'" [Criticize the U.S. 'Taiwan Relations Act'], *Guoji Wenti Yanjiu*, No. 1 (July 1981), 21-27, at 25.

[93] *Ibid.*, 26. Also see Commentary, "A Key Link in the Development of Sino-U.S. Relations," *Xinhua*, June 18, 1981, *FBIS/DR*, June 19, 1981, pp. B1-2.

[94] *Guoji Wenti Yanjiu* (fn. 92), 26.

[95] Haig (fn. 1), 204-05, 206-07; Barnett (fn. 74), 29. On China's response to U.S. policy of evenhanded arms sales, also see, for example, Hua Xiu, "China Won't Accept U.S. 'Balanced Arms Sales,'" *Beijing Review*, Vol. 24 (June 22, 1981), 11-12.

[96] See Deng's statement in Pollack (fn. 66), 89. For additional Chinese warnings, see Haig (fn. 1), 208.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Ziyang met with President Reagan in Cancun. Zhao pointed out that the arms sales issue obstructed developing strategic relations. Huang Hua was more explicit. In a meeting with Haig, he demanded that the U.S. "specify the period of time over which it intended to sell arms to Taiwan, undertake that sales in any given year would not exceed the level of the Carter years, and indicate that sales would decline year by year and then cease." On a visit to Washington a short time later, he issued an "ultimatum": that the U.S. specify the date when arms sales to Taiwan would cease. He suggested that high-level talks be conducted to work out an agreement.[97] For the first time since U.S.-China rapprochement, China was on the offensive and the United States was on the defensive.

Negotiations began that December. They often involved strident exchanges and escalated pressure tactics as neither side compromised quickly. When the Netherlands ignored the P.R.C.'s warnings and sold two submarines to Taiwan, the P.R.C. downgraded Sino-Dutch relations to the liaison level. In so doing, Beijing appeared to back itself into a corner, leaving itself no choice but to respond similarly to U.S. arms sales to Taiwan. A commentary in *Guoji Wenti Yanjiu* noted that the Sino-Dutch situation was "not without a relationship to U.S. arms sales to Taiwan" and warned, "whether or not China-U.S. relations also retrogress depends on . . . [U.S.] determination to resolve the issue of arms sales to Taiwan." Moreover, Chinese "tolerance has a definite limit. . . . China-U.S. relations are currently seriously threatened. This is completely caused by the United States." The commentary also recalled the Sino-Soviet split and ended with the ominous declaration that "the Chinese side strives for a good future, but it is also prepared for a bad outcome."[98] Eventually, the two sides signed the August 17 Communiqué. Although China backed away from its original negotiating position which had called for a precise date when arms sales would terminate, the new agreement restricted U.S. arms sales to Taiwan, bringing China closer to its goal of completely severing the military relationship between the U.S. and Taiwan.

The negotiating process revealed China's confidence in its ability to threaten the United States, as well as Washington's fear that China would carry out its threat, thereby undermining the strategic relationship with China. When Reagan altered U.S. Taiwan policy with provocative and contentious pronouncements, China countered with more than mere

[97] Haig (fn. 1), 209-10.

[98] Special Commentator, "Zhongmei guanxi de zhengjie hezai?" [Where lies the crux of Sino-American relations?], *Guoji Wenti Yanjiu*, No. 2 (April 1982), 6-7.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

diplomatic ripostes—a response that was too aggressive if it merely sought to pressure Reagan to return to the policy of the Carter administration. While the first signs of tension had appeared during the Carter administration, Reagan's statements provided the diplimatic justification for the P.R.C. to seek an ambitious change in the U.S.-Taiwan relationship. Beijing calculated that its greater independence made its threats credible, and that the Reagan administration's concern for Soviet expansionism would lead it to protect strategic cooperation with China at the expense of a compromise in U.S. Taiwan policy. This proved to be a correct evaluation.[99]

Chinese Domestic Politics and U.S.-China Conflict

What was the role of Chinese domestic politics in the P.R.C.'s new policy toward relations between the United States and Taiwan? As had been the case between 1972 and 1978, there were leadership differences over U.S. policy. Some Chinese leaders were opposed to Deng Xiaoping's policy of strategic alignment with the U.S. and believed that Deng, like Premier Zhou before him, had unnecessarily compromised China's position on Taiwan.[100] In January 1982, Vice Premier Li Xiannian, for example, denied that there could be close relations between China and the U.S., declaring that the Chinese people "know very well that the United States is still an imperialist country."[101]

It is significant that the new policy debate apparently had a different impact from that of the earlier period. While domestic opposition between 1972 and 1978 led to a lack of policy initiative, policy has become more aggressive since 1979, as preferred by Deng Xiaoping's critics. It has been persuasively argued that Deng was inclined to play down the Taiwan issue rather than press the U.S. to accommodate itself to the P.R.C.'s interests, but that he reluctantly took a hard line in response to criticism from his political adversaries.[102] Why did domestic politics have such a strong impact during this period?

It is not sufficient to argue that Deng adopted a hard line toward the

[99] Haig (fn. 1), 211-15. This has been confirmed in discussion with former Reagan administration officials. Also see Banning Garrett, "China Policy and the Constraints of Triangular Logic," in Kenneth A. Oye, Robert J. Lieber, and Donald Rothchild, eds., *Eagle Defiant: United States Foreign Policy in the 1980s* (Boston: Little, Brown, 1983), 237-71.

[100] See Kenneth Lieberthal, "Domestic Politics and Foreign Policy," in Harry Harding, ed., *China's Foreign Relations in the 1980s* (New Haven: Yale University Press, 1984), 55-66; Hamrin (fn. 1); Barnett (fn. 74). Also see *FBIS, Trends in Communist Media*, August 6, 1980, pp. 3-5.

[101] Cited in Lieberthal (fn. 100), 65.

[102] Hamrin (fn. 1); Lieberthal (fn. 100), 55-66.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

U.S. because his political power was vulnerable to charges of being "soft" on the Taiwan issue.[103] Zhou Enlai pursued a similar policy and was exposed to similar criticism, yet he did not change his line. Zhou's steadfastness is significant because, for practically the entire period from 1973 to his death in January 1976, he was the focus of one anti-rightist campaign after another. Deng Xiaoping, on the other hand, though he did not have complete freedom of choice, was less susceptible to the threats of the opposition in the post-normalization period. In view of Deng's relative political security in contrast to Zhou's somewhat more precarious position, more than the existence of political opposition must be considered in order to adequately explain Deng's apparent willingness to pursue the policy option preferred by his rivals.

As in the situation before 1979, the "second image reversed" perspective makes clear that international politics after the romantic triangle period influenced the role of domestic debates on Chinese policy. As Chinese leaders realized the evolution of the pattern of relations, the viability of adopting a hard stance toward the United States undermined the policy makers' ability to maintain the status quo, especially on a topic such as Taiwan. On a less emotional issue, criticism might be rebuffed. But once change in policy was an option, Taiwan became a vulnerable point for Deng despite his relative political stability.

That is what explains the shift in Deng's attitiude. While he called for reunification with Taiwan in 1979 and 1980, he also promoted closer U.S.-China relations and an anti-Soviet alliance on the part of the Western powers, China, and the third world; he was a reluctant spokesman for China's Taiwan policy.[104] In mid-1981, however, he dropped his pro-U.S. stance and forcefully threatened the U.S. with downgraded relations if the two sides failed to resolve the Taiwan issue.[105] His ultimate commitment to a hard-line policy reflected more than mere domestic political pressure; Deng was no longer responding to domestic politics when he spoke on Taiwan, but expressed a new policy preference.

This also explains the continuity in Chinese policy after the immediate crisis was resolved with the August 17 Communiqué, and after Reagan moderated his language so as to stop supplying ammunition to Deng's

[103] Hamrin (fn. 1); Lieberthal (fn. 100); and Barnett (fn. 74).

[104] Indeed, in his January 1980 speech placing reunification on the agenda for the 1980s, Deng suggested that combatting hegemonism was of greater importance; see *Deng Xiaoping Wenxuan* (fn. 72), 203-04. Also see Mills (fn. 47), 251; A. Doak Barnett, *U.S. Arms Sales: The China-Taiwan Tangle* (Washington, DC: The Brookings Institution, 1982). For Deng's remarks on U.S.-China relations, see "Deng fuzongli tong Meiguo guangbo dianshijie de tanpan" [Vice Premier Deng's talk with people in U.S. television circles], *Shijie Zhishi*, No. 5 (March 1, 1979), 1-4.

[105] Pollack (fn. 66), 89.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

domestic adversaries. The logic of the primacy of domestic politics suggests that relations should now have resembled those of the more placid 1970s. Yet this was not the case, as China continued to emphasize its dissatisfaction with various aspects of U.S. foreign policy through 1982 and into 1983. Rather than simply find a new explanation for such continuity in policy,[106] it is best to see continuity in cause: conflict in U.S.-China relations was caused by the leadership's recognition of China's new bargaining power. China's passivity was the product of one era; its ambition was the product of the era that followed.

During the earlier period, Chinese domestic politics may have slowed the process of consolidating relations; after normalization, it speeded the process of developing conflict. In response to domestic opposition in 1979 and 1980, Deng and his colleagues apparently initiated the diplomatic offensive toward America's Taiwan policy before they recognized its international political validity. Deng did not actively participate in China's new U.S. policy until 1981. Had the P.R.C.'s leadership been free of domestic constraints, it might not have changed China's U.S. policy so quickly; Deng's learning process might have taken longer to develop.

Deng's acceptance of his adversaries' general policy preference did not end the significance of Taiwan as a political football. Reagan's often extreme statements demanded a response from China's leaders regardless of their policy preferences; no Chinese leader could at that time appear to acquiesce to American statements that suggested a "two-China" policy. Hence, many of Deng's sharp attacks on the United States may have served his domestic needs rather than fit into a well-thought-out tactical plan for bringing about U.S. pliability. That does not mean that Deng did not seek to pressure Washington or that he accepted the status quo in U.S.-Taiwan relations; it does mean that the appearance of China's day-to-day tactics may have been skewed by domestic influences.[107]

Thus, during the period of the new U.S.-Soviet cold war, Chinese domestic politics was an important factor shaping the character of U.S.-China relations. Although domestic politics cannot adequately explain why China's policy changed, it does explain why policy changed at a particular time, and why China appeared to be more bellicose at one time than at another. The particular pattern of triangular relations

[106] Hamrin (fn. 1), 226-27.

[107] See, for example, Barnett (fn. 74). For a critique of the argument that Reagan's policy errors can explain the deterioration of relations, see Steven I. Levine, "China and the United States: The Limits of Interaction," in Kim (fn. 6), 123-25.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

defined the nature of the U.S.-China relationship, set the parameters of the Chinese domestic debate over its foreign policy, and established the limits of the influence of Chinese politics on Beijing's policy toward the United States.

Conclusion

The changing nature of both the pattern of relations of the strategic triangle and China's domestic situation has brought about changes in the P.R.C.'s policy toward the United States since the Shanghai Communiqué. Within the context of shared general interests, China has developed different strategies for dealing with the conflictual particular interest of Taiwan and for seeking to alter the status quo in U.S.-Taiwan relations. Changes in the pattern of relations in the strategic triangle have been the determining factor in shaping the P.R.C.'s policy. China preferred to ignore U.S.-Chinese differences over Taiwan for most of the 1970s; but when the United States lost the pivot position in the triangle as the new cold war developed in U.S.-Soviet relations, China gained the confidence required to bring the Taiwan issue to the negotiating table in a forceful and sometimes belligerent manner.

These conclusions suggest that one key to the P.R.C.'s compliance with Washington's preferences in U.S.-Chinese relations lies in moderate U.S.-Soviet relations. When relations between Moscow and Washington deteriorated, China went on the diplomatic offensive. China is likely to continue to emphasize its independence from the United States as long as the superpowers are unable to moderate the nuclear arms race and their global conflict. The August 17 Communiqué did not signal an immediate end to China's aggressive U.S. policy, to its effort to ameliorate Sino-Soviet relations, or to its diplomatic emphasis on the third world.[108]

The implication of this approach is that there is a secondary role for Washington's bilateral China policy in efforts aimed at affecting the character of U.S.-Chinese relations. Once the U.S. lost the pivot position, efforts to placate the P.R.C. were likely to encourage Chinese leaders to believe in the efficacy of their bargaining power, to believe that "the U.S. needs China more than China needs the U.S." Nevertheless, there was probably little the United States could do to prevent the shift in

[108] On U.S.-China relations, see *ibid.*, 118-31. For Sino-Soviet relations, see Chi Su, "China and the Soviet Union: 'Principled, Salutary, and Tempered' Management of Conflict," in Kim (fn. 6), 136-41. China's third-world posture is discussed by Harry Harding, "China's Changing Roles in the Contemporary World," in Harding (fn. 100), 195-201.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

U.S.-China relations and the attendant compromises over Taiwan. The decline in U.S.-Soviet relations, which began during the Carter administration, could not be prevented by Washington alone, and it was this end of détente that changed the U.S.-Chinese bargaining relationship.[109]

Since mid-1983 the tension in U.S.-China relations has been reduced despite continued differences and lack of new compromises over Taiwan, trade, and security relations. What explains this apparent shift to a third period in U.S.-China relations? Apparently President Reagan's confidence in U.S. strength vis-à-vis the Soviet Union after increased U.S. military spending and his emphasis of the role of Japan over the P.R.C. in U.S. security policy in the Pacific have reduced China's bargaining leverage.[110] Nevertheless, continued U.S.-Soviet conflict and a reduction in Sino-Soviet tension still result in the P.R.C.'s independence from the U.S. Recent U.S.-Chinese relations therefore appear to be characterized by a more equal bargaining relationship.

Chinese domestic politics have played an important role in the P.R.C.'s policy toward the U.S. Both during the period when China's bargaining position was weak because of Washington's pivot position and later, when the demise of détente encouraged P.R.C. initiatives on the Taiwan question, China's leaders were under the constraint of domestic political exigencies. The relative importance of domestic politics has been a function of the range of choice allowed by the pattern of triangular politics. When the range of choice was narrow, domestic politics had a small impact on China's U.S. policy. When the choices expanded, domestic critics wielded greater influence on foreign policy making. Patterns of triangular relations explain *why* changes occurred in China's U.S. policy; domestic politics explain why those changes occurred *when* they did.

On some occasions, Chinese leaders were compelled to respond publicly to their critics on the Taiwan issue in order to protect their political power. The dual audience problem was thus a factor in U.S.-China relations. Understanding the immediate short-term relationship between China's domestic politics and its U.S. policy is crucial to Washington officials concerned with formulating policy toward the P.R.C.; they must

[109] Also see Dittmer (fn. 1), 504-07.

[110] For a harsh P.R.C. response to the shift in Reagan's Asia policy, see Zhang Jia-lin, "The New Romanticism in the Reagan Administration's Asian Policy," *Asian Survey* 10 (October 1984), 997-1011. For P.R.C. analyses of U.S. assertiveness and confidence in world affairs, and its recent "ascendency over the Soviet Union," see, for example, Jin Junhui, "Reagan's Diplomacy: An Overview," *Beijing Review* 28 (June 17, 1985), 21-25; Zhou Jirong, Wang Baoqin, and Gu Guanfu, "Sumei zhengba taishi de bianhua yu qianjing" [Change and the prospect for the Soviet-U.S. struggle for hegemony], *Xiandai Guoji Guanxi* 6 (March 1984), 1-6; Huang Su'an and Li Changjiu, "Meiguo jingji liliang de huifu yu duiwai zhengce" [U.S. economic recovery and foreign policy], *Guoji Wenti Yanjiu* 3 (July 1985), 1-7.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

determine whether the fundamental direction of China's foreign policy is undergoing change in response to changes in its bargaining power, or whether belligerent statements arise primarily from domestic pressures and do not suggest a policy change. The potential for unnecessary but significant conflict lies in the possibility of misperceiving hostile Chinese statements as aimed at Washington, when in fact both triangular and Chinese politics suggest that such statements may be aimed at domestic constituencies.

Theories of the connection between alternative patterns of triangular relations and relative bargaining strengths in bilateral relations have proved valuable in understanding the sources of conflict and cooperation since the Shanghai Communiqué. The present essay is merely a first cut at a complex multilateral phenomenon. A complete study of the dynamics of triangular politics requires a full analysis of the P.R.C.'s Soviet policy and of Soviet and U.S. foreign policy toward China and toward each other. The relationship between domestic political dynamics in the Soviet Union and the United States and their respective foreign policy making processes must also be investigated.

Only brief mention has been made here of the role of diplomacy in determining the course of bilateral politics under any given pattern of triangular relations. There has been a tendency in the international politics literature to stress structure at the expense of overlooking the crucial role of diplomatic ingenuity—a tendency similiar to that of emphasizing domestic politics over structure in the literature on Chinese foreign policy. The problems of generalizing on the role of diplomacy in mitigating the impact of structure are significant. But the potential rewards are just as significant. Knowledge of how U.S. and P.R.C. diplomatic behavior—such as provocative American statements suggesting a two-China policy—has shaped conflict and bargaining under a given triangular pattern of relations would provide a more complete analysis of the politics of the strategic triangle. The present study, however, has been confined to an analysis of the interplay of domestic Chinese politics with the bargaining restraints imposed by various patterns of triangular relations. Building on theories of structure and bargaining in international politics and our knowledge of Chinese foreign policy and domestic politics, it represents one step in the process of fully explaining the dynamics of the strategic triangle.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

IN SEARCH OF GENERATIONS IN SOVIET POLITICS

By MARK R. BEISSINGER

AMONG those who study the Soviet political system, the issue of whether the younger generation of officials currently moving into leadership positions differs significantly in its attitudes and perceptions from previous generations has been the source of considerable controversy and speculation.[1] Few of the participants in this debate have systematically attempted to test their assertions about the attitudinal orientations of the younger generation of Soviet officials. ("Younger" officials are usually defined as those now in their forties and fifties.) In this article, I will examine the attitudes of a sample of Soviet officials toward Soviet economic problems in order to determine whether significant differences in perspectives on key political issues have developed among Soviet political generations. While younger officials in general do not display economic concerns that are significantly different from those of their elders, particular subgroups of the younger generation, formed out of their common administrative experiences, do demonstrate economic priorities that differ from those of similar subgroups within the older generation. The younger officials now emerging on the national scene are divided in their perceptions of Soviet economic problems in different ways than are their elders.

Political Generations and Elite Socialization

In August 1983, Yuri Andropov, together with five of the youngest members of the Soviet leadership, held an unusual meeting with party

[1] See, for instance, the following works on the subject: Seweryn Bialer, *Stalin's Successors: Leadership, Stability, and Change in the Soviet Union* (Cambridge: Cambridge University Press, 1980); Jerry F. Hough, *Soviet Leadership in Transition* (Washington, DC: Brookings Institution, 1980); Myron Rush, "The Future Soviet Leadership," in Richard Melanson, ed., *Neither Cold War nor Detente?: Soviet-American Relations in the 1980s* (Charlottesville: University Press of Virginia, 1982), 69-89; William E. Odom, "Choice and Change in Soviet Politics," *Problems of Communism* 32 (May-June 1983), 1-21; Colin S. Gray, "The Most Dangerous Decade: Historic Mission, Legitimacy, and the Dynamics of the Soviet Empire in the 1980s," *Orbis* 25 (Spring 1981), 13-28; Robert A. D. Ford, "The Soviet Union: The Next Decade," *Foreign Affairs* 62 (Summer 1984), 1132-44; Albert L. Salter, "Portrait of an Emerging Soviet Elite Generation," *The Washington Papers* 6 (No. 59, 1978), 25-40; George Breslauer, "Is there a Generation Gap in the Soviet Political Establishment?: Demand Articulation by RSFSR Provincial Party First Secretaries," *Soviet Studies* 36 (January 1984), 1-25; John D. Nagle, "A New Look at the Soviet Elite: A Generational Model of the Soviet System," *Journal of Political and Military Sociology* 3 (Spring 1975), 1-13.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

veterans. The purpose was, in Andropov's words, to discuss "how to use the experience of the older generation for solving the concrete tasks of our times, tasks which in many ways are new and are in a new way complex." Although Andropov argued that "in our society there is no conflict of generations," he went on to admit that "this does not mean that everything goes smoothly." Some veterans, he said, had characterized the younger generation as worse than the older generation, while some younger comrades had been inclined to blame all of the current ills of society on their fathers.[2] Andropov's statement symbolizes what has become, in the minds of many Western observers, a major political cleavage in Soviet politics. As the ages of the Soviet leadership and elite have climbed[3]—resulting in an unprecedented turnover in the post of General Secretary and finally leading to the selection of 53-year-old Mikhail Gorbachev as party leader in February 1985—the issues of generational change and conflict have increasingly come to dominate the attention of both the Kremlin and Western Sovietologists.

There is a great deal of evidence that at the level of mass publics, generation has always been and continues to be a source of conflict in the Soviet political system.[4] Most of the social science literature on generations focuses entirely on this level of analysis, weighing the respective impact of experiential and life-cycle models of generational conflict on mass perceptions and behavior.[5] According to the experiential model of political generations, the political values of a particular age

[2] *Pravda*, August 16, 1983, p. 1. Similar meetings with groups of party veterans in the armed forces and in other institutions have been held over the past two years. See *Pravda*, December 15, 1983, p. 3.

[3] From 1966 to 1982, the average age of Politburo members climbed from 55 to 68; the average age of the Council of Ministers, from 58 to 65; and the average age of the Central Committee, from 56 to 63.

[4] On this point, see Lewis S. Feuer, *The Conflict of Generations: The Character and Significance of Student Movements* (New York: Basic Books, 1969), 88-172; Merle Fainsod, *How Russia Is Ruled* (Cambridge: Harvard University Press, 1963), 283-306; Ruth W. Mouly, "Values and Aspirations of Soviet Youth," in Paul Cocks and others, eds., *The Dynamics of Soviet Politics* (Cambridge: Harvard University Press, 1976), 221-38; Raymond A. Bauer and others, *How the Soviet System Works: Cultural, Psychological and Social Themes* (New York: Vintage Books, 1961); Stanley K. Shernock, "Politics and Opportunity in the Post-Revolutionary Generation: The Cases of Nazi Germany, Stalinist U.S.S.R., and Maoist China," *Journal of Political and Military Sociology* 12 (Spring 1984), 137-59.

[5] For a sampling of this debate, see: Marvin Rintala, "Political Generations," in *International Encyclopedia of the Social Sciences*, VI (New York: Macmillan, 1968), 92-96; Paul R. Abramson, *Generational Change in American Politics* (Lexington, MA: D.C. Heath, 1975); S. N. Eisenstadt, *From Generation to Generation: Age Groups and Social Structure* (Glencoe, IL: Free Press, 1956); Seymour Martin Lipset and Everett Carll Ladd, Jr., "The Political Future of Activist Generations," in Philip G. Altbach and Robert S. Laufer, eds., *The New Pilgrims: Youth Protest in Transition* (New York: David McKay, 1972), 63-84; Karl Mannheim, "The Problem of Generations," *ibid.*, 101-38; Ronald Inglehart, *The Silent Revolution: Changing Values and Political Styles Among Western Publics* (Princeton: Princeton University Press, 1977).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

cohort are usually formed at a relatively young age by its members' shared historical experiences. These become an enduring part of their political outlook from the moment they enter the adult world of politics. The life-cycle model considers generational differences to be transitory; they are gradually tempered and eroded by the demands of adult political roles.[6]

The important issues involved in generational change in the Soviet Union are not whether generational differences in attitudes exist, or even whether they persist on this mass level into adult life. Rather, they are concerned with whether an elite running a highly centralized and well-organized political system can transcend those generational cleavages that already exist within broader society, whether it is capable of coopting members of the younger generation who reproduce its values and outlooks to prevent generation from becoming a major source of cleavage within the elite itself. Are the political controls of the Soviet system capable of counteracting the effects of the experiential model of generational conflict or of inhibiting them from penetrating into the elite? Or do individual members of the elite carry with them into their elite positions differences in perspectives based on their specific generational experiences despite the regime's efforts to prevent this from happening?

The debate over the potential impact of generational change on the Soviet political system is as much about the nature of political generations as about the nature of elite recruitment and its impact on elite attitudinal formation.[7] Those who argue that generational conflict plays only a minor role in the Soviet political process contend that, although generation as a mode of political action may be relevant for mass democratic polities, it is not for modern autocratic regimes. Myron Rush, for ex-

[6] Richard J. Samuels, in Samuels, ed., *Political Generations and Political Development* (Lexington, MA: D.C. Heath, 1977), 1-2.

[7] On the scholarly debate over whether background characteristics such as age, class, or education have an impact upon the attitudes and behavior of elites, see Donald D. Searing, "The Comparative Study of Elite Socialization," *Comparative Political Studies* 1 (January 1969), 471-500; Ezra N. Suleiman, *Politics, Power, and Bureaucracy in France: The Administrative Elite* (Princeton: Princeton University Press, 1974), 100-112; Robert D. Putnam, *The Comparative Study of Political Elites* (Englewood Cliffs, NJ: Prentice-Hall, 1976); Moshe M. Czudnowski, "Political Recruitment," in Fred I. Greenstein and Nelson W. Polsby, eds., *Handbook of Political Science*, II (Reading, MA: Addison-Wesley, 1975), 190-95. In the literature on generation and elite recruitment, see also the following works: Joseph R. Gusfield, "The Problem of Generations in an Organizational Structure," *Social Forces* 35 (May 1957), 323-30; contributions by Harold Isaacs, Alfred Stepan, Myron Weiner, William Quandt, Amos Perlmutter, and Lucian Pye in Samuels (fn. 6), 39-124; Michael Yahuda, "Political Generations in China," *The China Quarterly* (No. 80, 1979), 793-805; William deB. Mills, "Generational Change in China," *Problems of Communism* 32 (November-December 1983), 16-35.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ample, argues that the prevention of generational differences within the Soviet ruling elite "is a basic aim of the Soviet system." Rush and others assert that this is accomplished through formal political education and indoctrination, selective elite recruitment, the discipline of bureaucratic hierarchy, and informal patron-client relationships.[8]

By contrast, those who maintain that generation is the cause of a major political cleavage within the Soviet elite note that the key socialization experiences of the younger generation (family background, schooling, career patterns, and macropolitical events) differ substantially from those of its elders, and that these experiential effects support significantly different policy perspectives. Seweryn Bialer, for instance, has characterized the younger generation as "grossly materialistic in wants and expectations," exhibiting "little of their predecessors' xenophobia," with a "highly developed career orientation, cult of professionalism, and elitism," and displaying "an awareness of the system's functional shortcomings and a restless impatience with them and with Soviet backwardness and provinciality in general."

> It is a generation that deplores the backwardness of Soviet society, the functional deficiencies of the system, the inability of the present administration to make progress in rectifying the situation, and at the same time, it probably stands confident of its own ability to do so. It is a generation that is less likely to accept actual or potential international achievements as substitutes for internal development. It is a generation that may be willing to pay a higher price in terms of political and social change *if* persuaded that such a price would assure substantial improvement in the growth and efficiency of the productive and distributive processes.[9]

Jerry Hough similarly argues that officials educated after World War II are likely to display markedly different attitudes on key policy-making issues than their elders. He maintains that, by and large, "age is likely to be correlated with attitudes towards economic reform," and that the younger generation will probably introduce "greater liberalization, economic reform, and income differentiation (in the name of increasing incentives), more or less on the Hungarian model."[10]

For the most part, these characterizations are based upon the informed speculations of the authors rather than in-depth analyses of the attitudes and behavior of the younger generation. There is no doubt that the

[8] Rush (fn. 1), 82-3; Odom (fn. 1), 12; William E. Griffith, "Generational Change and Political Leadership in Eastern Europe and the Soviet Union," in Samuels (fn. 6), 125-34. See also Samuel P. Huntington's comments in Samuels (fn. 6), 130.

[9] Bialer (fn. 1), 104-06; emphasis in original.

[10] Hough (fn. 1), 147 and 157.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

career experiences and backgrounds of the two generations differ significantly. For one thing, the younger group is better educated and more likely to come from an urban family background. In the sample used in this study, only 9 percent of officials born in or before 1925 have an educational degree or title beyond a college education, but 28 percent of those born after 1925 do.[11] In addition, roughly 72 percent of the older group come from a peasant family background, whereas only 46 percent of the younger group come from such a background.[12]

Officials born after 1925 are significantly less likely than their elders to have worked either for the Central Committee apparatus or in a region other than their own. Only 5 percent of the younger group, as opposed to 31 percent of the older, have worked in the Central Committee party apparatus. And whereas 37 percent of those born in or before 1925 had worked for regional party organizations other than the one in which they were employed at the time of this study, only 5 percent of those born after 1925 had such experience.

But differences in backgrounds and career experiences of Soviet elite generations may not actually translate into distinct attitudes and perceptions. George Breslauer, in testing the assertion that the younger generation is more demanding, more assertive, and more impatient for change than the older, found that younger officials are not as homogeneous in their outlooks as their elders: some are more demanding and others are less demanding.[13] Breslauer's conclusions, however, must be considered tenuous. For one thing, the size of his sample was small, consisting of only 24 *obkom* first secretaries. Moreover, the important issue may not be whether the younger generation is more or less demanding, but rather, more or less demanding *of what*? Though "demandingness" in and of itself may or may not correspond to specific elite concerns and issue orientations, Breslauer's fundamental conclusion—that elite generational change in the Soviet Union is a more complex process than is usually thought—deserves further examination. The policy area that is most commonly identified as subject to generational cleavages in the Soviet political system is economic management.

[11] The sample used to produce these and subsequent figures is the chronological generations sample, consisting of 39 officials born after 1925 and 35 born in or before 1925. Educational degrees or titles beyond the level of a college education are, for instance, Candidate of Sciences and Doctor of Sciences (roughly equivalent or superior to masters and doctorate degrees), or such titles as *Dotsent* or Professor.

[12] Because the data on class background are missing in the biographies of 49% of officials born in or before 1925 and 62% of those born after 1925, the figures may be somewhat inflated; the proportion from an urban, particularly white-collar, background may be higher in each category than indicated here.

[13] Breslauer (fn. 1).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The hypothesis to be tested, therefore, is whether the younger generation of party officials is more acutely aware of the systemic deficiencies and shortcomings of the economy than previous generations of officials.

Measuring Generational Attitudes

One of the major recruiting grounds for Soviet leaders traditionally has been the Russian Soviet Federative Socialist Republic (RSFSR) regional party apparatus. As of early February 1985, 8 out of 17 members of the Politburo (47 percent) and 6 out of 10 Central Committee Secretaries (60 percent) had held positions in the RSFSR regional party apparatus at one point in their careers.[14] Moreover, RSFSR *obkom* first secretaries must be considered national actors in their own right; they constitute 19 percent (61 out of 319) of the full members of the Central Committee elected at the Twenty-Sixth Party Congress in 1981. Most prognoses of the impact of generational change in the Soviet system have therefore focused almost exclusively on RSFSR *obkom* first secretaries; the implicit assumption has been that, as the older generation faded from the political scene, the younger current occupants of these posts would play a greater role in national politics.

Such an assumption may be true, but as the older generation of *obkom* secretaries either dies or is removed from office, those representatives of the younger generation who have already risen to the post of *obkom* first secretary will not be moving into their positions; rather, in the vast majority of cases, it will be younger officials not currently occupying these posts. Under Andropov (less so under Chernenko), a major purge was carried out within the regional party apparatus, a trend that appears to be continuing under Gorbachev. In fact, of the 38 *obkom* first secretaries included in the present study, 8 (21 percent) were retired, removed from office, or demoted between Brezhnev's and Chernenko's deaths; 3 of these officials are members of the post-Stalin generation in Soviet politics, having been born after 1925.[15]

Any accurate attempt to study generational change within the Soviet provincial elite should contain a dynamic element, including in its focus

[14] For further elaboration of the role of the RSFSR regional party apparatus as the recruiting ground for the Soviet leadership, see T. H. Rigby, "The Soviet Regional Leadership: The Brezhnev Generation," *Slavic Review* 37 (March 1978), 1-24. Every General Secretary since Stalin (with the exception of Malenkov, who held the post only briefly, but who did have career experience in the Moscow city party organization) worked at one point in his career for the RSFSR regional party apparatus. Of those included in the present sample, two former RSFSR *obkom* first secretaries have become Central Committee secretaries at the national level: Ligachev and Romanov.

[15] For further information on the purge of 1983-1984 and its effects on the regional party

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

provincial officials at a lower level of authority who are likely to move into top posts in their regions in the coming years. The most obvious candidates for future *obkom* first secretaries are the occupants of the posts of *oblispolkom* chairman and *obkom* second secretary. Of the 38 *obkom* first secretaries included in this study, 29 (76 percent) at one time held one of these two offices. Among the replacements for the 8 *obkom* first secretaries in this study who were removed or transferred after Brezhnev died, there were 6 (75 percent) who held one of these two posts at some point in their careers, with 4 of these 6 coming directly from these positions to their new assignments.[16] Only 42 percent of the *obkom* first secretaries sampled were born after 1925, but 61 percent of the *oblispolkom* chairmen and 76 percent of the *obkom* second secretaries were. The average year of birth of *obkom* first secretaries was 1923; of *oblispolkom* chairmen, 1927; and of *obkom* second secretaries, 1928. Together, these three sets of officials not only comprise the ruling troika of a Soviet province (referred to by Merle Fainsod as the "Big Three" of Soviet regional politics),[17] but also make up a significant proportion of the generation of Soviet officials that is now moving into positions of national prominence.

For purposes of analyzing generational attitudes, I collected biographical data on the backgrounds of the men who occupied these three posts as of February 1980 in 38 different provinces, forming a preliminary sample of 114 officials. I then conducted a comprehensive search for articles published in the press by these officials between October 1976

apparatus, see Mark R. Beissinger, "The Age of the Soviet Oligarchs," *Current History* 83 (October 1984), 305-08, 339-442. Among the RSFSR *obkom* first secretaries included in this study who lost influence after Brezhnev's death, four officials of the older generation were either retired or removed from their posts (M. A. Ponomarev, first secretary of Vladimir *obkom*; A. A. Kandrenkov, first secretary of Kaluga *obkom*; N. V. Bannikov, first secretary of Irkutsk *obkom*; and L. S. Kulichenko, first secretary of Volgograd *obkom*), as well as one official of the post-Stalin generation (I. A. Bondarenko, first secretary of Rostov *obkom*). One official of the older generation (M. G. Voropaev, formerly first secretary of Cheliabinsk *obkom* and now a deputy chairman of the Party Control Commission) and two members of the post-Stalin generation (M. P. Trunov, formerly first secretary of Belgorod *obkom* and now chairman of the Central Board of Cooperatives, and V. P. Lomakin, formerly first secretary of Primor'e *kraikom* and now Soviet ambassador to Czechoslovakia) were transferred to positions of reduced influence.

[16] At least 6 out of the 76 *oblispolkom* chairmen and *obkom* second secretaries included in this study have been promoted to the post of *obkom* first secretary since Brezhnev died. Among them are: P. M. Telepnev, first secretary of Arkhangel'sk *obkom*; V. I. Sitnikov, first secretary of Irkutsk *obkom*; A. G. Mel'nikov, first secretary of Tomsk *obkom*; A. F. Ponomarev, first secretary of Belgorod *obkom*; R. S. Bobovikov, first secretary of Vladimir *obkom*; and D. N. Gagarov, first secretary of Primor'e *kraikom*.

[17] Fainsod, *Smolensk Under Soviet Rule* (New York: Vintage Press, 1958), 93.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

and October 1982, which yielded a total of 574 articles, written by 98 of them.[18] Half of these articles (287), written by 74 officials (65% of the original sample) dealt with various issues of industrial management. This group was selected as the final sample: 32 (43 percent) were *obkom* first secretaries, 22 (30 percent) were *oblispolkom* chairmen, and 20 (27 percent) were *obkom* second secretaries. The 287 articles written by these officials were subjected to an in-depth reading and analysis.[19]

Any attempt to analyze the attitudes of Soviet officials through the articles they publish in the Soviet press is fraught with methodological difficulties. I assumed that censorship would affect all the articles in a similar way. In addition, articles under the byline of regional party officials are composed by professional speech writers rather than by the official himself. Interview research conducted by Breslauer suggests, however, that as a rule the official in whose name an article is written does take an interest in it, participates in its editing, and carefully controls its content.[20] Paradoxically, in his analysis of generational differences among *obkom* first secretaries, Breslauer chose to focus on the forms and levels of expression—perhaps the least reliable information contained in these sources—rather than on the actual content of these articles.[21]

The articles used in the present study were examined according to the types of issues they raised concerning the industrial production process and the particular issues and problems identified in them. A total of 969 issues were classified into 13 different categories. These ranged from problem areas that dealt with the interrelationships among economic units and the world beyond the industrial enterprise (the planning process, investment policies, unsatisfied consumer demand, labor shortages, supply lines, and construction delays), to problem areas that were concerned with the production process itself and the world internal to the plant (labor turnover, productivity, product quality, technical innovation, material waste in the production process, plan fulfillment, and corruption or mismanagement on the part of managerial employees). I hypothesized that if a generational difference in perspec-

[18] The following newspapers were used: *Pravda, Izvestiia, Ekonomicheskaia gazeta, Sotsialisticheskaia industriia, Sel'skaia zhizn', Krasnaia zvezda, Komsomol'skaia pravda, Literaturnaia gazeta*, and *Sovetskaia Rossiia*.

[19] Officials who did not publish any articles on industrial management were eliminated from the sample, since no indication of attitudinal orientation was available.

[20] See George W. Breslauer, "Research Note," *Soviet Studies* 33 (July 1981), 446-47; his interviews were conducted among emigrés who had been employees of the Soviet media.

[21] Breslauer (fn. 1).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tives on economic issues existed that led younger officials to be inclined toward favoring systemic changes in the Soviet economy, these younger officials would identify problems associated with the interrelationships between economic units more frequently than would older officials.[22]

A final problem, familiar to those who have analyzed political generations, is that of defining what constitutes a political generation. Hough identifies four separate generations in Soviet politics, largely according to the year in which the officials were born and the type and quality of education they received, even though he admits that adult socialization experiences are likely to be more important in determining the attitudes of Soviet officials than childhood experiences.[23] He justifies his use of chronological generations by the fact that a particular age cohort in Soviet politics is likely to have shared common childhood experiences, to have followed similar career paths, and to have witnessed the same major upheavals and events in Soviet history at approximately similar points in its career development. In contrast to Hough's use of chronological age, Bialer employs recruitment as his major unit of analysis, identifying four generations of Soviet officials according to the year in which they entered the party. In his view, the crucial formative experience for a Soviet official occurs at the time of his "introduction into professional-political life"—i.e., "in ascending order of importance, his entrance into the Communist party, his recruitment into a bureaucratic hierarchy, and his assumption of an executive position ... within a hierarchy."[24]

Is the younger generation in Soviet politics composed of those born after 1925 or of those who have joined the party since Stalin's death? By and large, these are the same officials; but in this study, 9 officials (12 percent of the sample) whom Hough would have classified as members of the new generation would fall into Bialer's "Stalinist" generations, while 2 officials (3 percent of the sample) whom Bialer would have classified as being "post-Stalinist" would fall into one of Hough's earlier generations. This anomaly is not mere methodological hair-splitting; as

[22] Since some party officials publish more regularly in the press than others, and since that pattern could be the result of a large number of factors, simply counting the number of times an official raised a particular problem would not necessarily be an accurate reflection of his attitudes in relation to the attitudes of others. I therefore decided to measure the degree of an individual's concern about a particular problem by comparing the number of articles in which it was raised to the total number of articles written by that official on issues of industrial management.

[23] Hough (fn. 1), 60.

[24] Bialer (fn. 1), 100-102. For the difference between chronological and recruitment generations in the social science literature on political socialization, see Herbert H. Hyman, *Political Socialization: A Study in the Psychology of Political Behavior* (Glencoe, IL: Free Press, 1959), 129-30.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

we shall see, the way in which one defines elite generations in the Soviet context strongly affects the conclusions one reaches concerning generational attitudes.[25]

Generation as a Political Cleavage in the Party Elite

Table 1 presents data on the identification of industrial problems according to chronological (Hough) and recruitment (Bialer) generations. At first glance, the findings appear to confirm the hypothesis that the emerging generation is more acutely aware of the systemic shortcomings of the Soviet economic mechanism. Both chronological and recruitment generational criteria indicate that post-Stalinists more frequently identify problems dealing with the planning process, investment policies, unsatisfied consumer demand, the labor shortage, construction delays, and plan fulfillment than do Stalinists. By contrast, Stalinists show a higher level of interest in such areas as productivity, production quality, technical innovation, and material waste in the production process. In three problem areas—supply lines, labor turnover, and corruption or mismanagement—generational differences appear to be minimal.

One paradox that emerges from the data is that post-Stalinists more frequently identify plan fulfillment as a problem, whereas Stalinists more often mention issues such as productivity, product quality, and technical innovation. Generally, pressure from above for plan fulfillment is associated with the Stalinist generation, reared in an environmnt of taut planning and raised on the infamous slogan of "the plan at any cost," while productivity, product quality, and technical innovation are usually considered "third generation" issues—i.e., issues of intensive rather than extensive development associated with the third generation of Soviet power.[26] This paradox is resolved in part by examining the priority-rankings of industrial problems, presented in Table 2. Both generations identify productivity and product quality most frequently of all the industrial problems cited in their articles, thus indicating that the two groups share a primary concern about these issues. But, aside from the

[25] Because in a few cases it was difficult to obtain biographical information on the initial year of party membership, 7 officials included in the sample using Hough's chronological generational criteria (4 Stalinists and 3 post-Stalinists) could not be included in the sample using Bialer's recruitment-generational criteria. As will be shown below, the missing data do not affect the findings of this study. Using Hough's criteria, the sample is composed of 39 post-Stalinists and 35 Stalinists; using Bialer's criteria, the sample is composed of 29 post-Stalinists and 38 Stalinists. It should be noted that for purposes of simplification, the four categories of generations used by both these authors were telescoped into two, Stalinist and post-Stalinist.

[26] See, for instance, Thane Gustafson, *Reform in Soviet Politics: Lessons of Recent Policies on Land and Water* (Cambridge: Cambridge University Press, 1981).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

TABLE 1

IDENTIFICATION OF INDUSTRIAL PROBLEMS BY GENERATION[a]

	Problem Area	Chronological Generations		Recruitment Generations	
		Stalinist	*Post-Stalinist*	*Stalinist*	*Post-Stalinist*
Systems Level	Planning Process	16% (19)	22% (37)	16% (25)	24% (25)
	Investment Policies	15% (18)	22% (37)	17% (27)	22% (23)
	Unsatisfied Consumer Demand	21% (26)	27% (45)	20% (31)	36% (38)
	Labor Shortage	14% (17)	27% (44)	15% (24)	31% (33)
	Supply Lines	30% (36)	29% (48)	28% (44)	28% (30)
	Construction Delays	12% (15)	23% (39)	14% (22)	26% (28)
	Labor Turnover	14% (17)	10% (16)	12% (19)	11% (12)
	Productivity	62% (75)	51% (85)	64% (99)	48% (51)
	Product Quality	49% (59)	36% (59)	46% (72)	37% (39)
	Technical Innovation	31% (38)	26% (43)	33% (51)	27% (29)
	Waste in Production Process	31% (37)	25% (41)	30% (46)	22% (23)
Enterprise Level	Plan Fulfillment	25% (30)	34% (57)	30% (47)	35% (37)
	Corruption and Mismanagement	15% (18)	10% (16)	13% (20)	11% (12)
	Total Articles	100% (121)	100% (166)	100% (155)	100% (106)
	Total Officials in Sample[b]	35	39	38	29

[a] Scores represent the number of articles concerning industry in which the problem area was identified. Percentages are computed on the basis of the number of articles in which the problem area was identified divided by the total number of articles in which industrial problems were discussed.

[b] See fn. 25.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

TABLE 2
RANKING OF PROBLEMS, BY GENERATIONS[a]

Stalinist	*Post-Stalinist*
CHRONOLOGICAL GENERATIONS	
1. Productivity (62%)	1. Productivity (51%)
2. Product Quality (49%)	2. Product Quality (36%)
3. Technical Innovation (31%)	3. Plan Fulfillment (34%)
4. Waste in the Production Process (31%)	4. Supply Lines (29%)
5. Supply Lines (30%)	5. Unsatisfied Consumer Demand (27%)
6. Plan Fulfillment (25%)	6. Labor Shortage (27%)
7. Unsatisfied Consumer Demand (21%)	7. Technical Innovation (26%)
8. The Planning Process (16%)	8. Waste in the Production Process (25%)
9. Investment Policies (15%)	9. Construction Delays (23%)
10. Corruption and Mismanagement (15%)	10. The Planning Process (22%)
11. Labor Shortage (14%)	11. Investment Policies (22%)
12. Labor Turnover (14%)	12. Corruption and Mismanagement (10%)
13. Construction Delays (12%)	13. Labor Turnover (10%)
RECRUITMENT GENERATIONS	
1. Productivity (64%)	1. Productivity (48%)
2. Product Quality (46%)	2. Product Quality (37%)
3. Technical Innovation (33%)	3. Unsatisfied Consumer Demand (36%)
4. Waste in the Production Process (30%)	4. Plan Fulfillment (35%)
5. Plan Fulfillment (30%)	5. Labor Shortage (31%)
6. Supply Lines (28%)	6. Supply Lines (28%)
7. Unsatisfied Consumer Demand (20%)	7. Technical Innovation (27%)
8. Investment Policies (17%)	8. Construction Delays (26%)
9. The Planning Process (16%)	9. The Planning Process (24%)
10. Labor Shortage (15%)	10. Waste in the Production Process (22%)
11. Construction Delays (14%)	11. Investment Policies (22%)
12. Corruption and Mismanagement (13%)	12. Corruption and Mismanagement (11%)
13. Labor Turnover (12%)	13. Labor Turnover (11%)

[a] Figures in parentheses refer to the percentage of articles in which the problem area was identified.

high priority accorded to these two issues and the low priority accorded by both groups to the problem of labor turnover, the two generations exhibit different priority lists. Technical innovation and material waste in the production process are lower for post-Stalinists than for Stalinists, while plan fulfillment, unsatisfied consumer demand, the labor shortage,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

and construction delays are higher on the post-Stalinist's priority ranking than on that of the Stalinists.

These findings are not significantly affected by the choice of chronological or recruitment criteria. Despite their shared concern with productivity and product quality, the two groups view these problems within different administrative contexts. The older generation appears to regard them as issues related to the internal functioning of the enterprise *per se*, whereas younger officials consider them to be broader problems related to the interrelationships between economic units. The fact that younger officials are more apt to identify plan fulfillment as a problem suggests that they may indeed be more demanding than their elders, not only in terms of systemic issues, but also of the economic managers who operate under their jurisdiction. Older officials frequently tend to cite technical innovation as a problem, which seems to support the idea that this generation perceives industrial problems in a narrow, engineering context.[27]

Although these findings indicate that differences between the generations may exist within the sample used in this study, they do not necessarily prove that a broader relationship exists between generation and problem-identification patterns. Parts of these patterns may be due to chance, or the differences between the problem-identification patterns of the generations may not be large enough to indicate a systematic relationship. For these reasons, the samples were subjected to chi-square tests of statistical significance, shown in Table 3.[28]

Of the six problem areas found to have been identified more frequently by post-Stalinists, only three turn out to be statistically significant or marginally significant at the .05 level when chronological generation is the independent variable: the labor shortage, construction delays, and plan fulfillment. When recruitment generation is the independent variable, the frequencies with which the generations identify the labor shortage and construction delays as problem-areas are again statistically significant, but plan fulfillment is not. Moreover, when chronological generation is the independent variable, the frequencies with which unsatisfied consumer demand is identified as a problem are not statistically significant; but when recruitment generation is used, the differences

[27] These differences cannot be explained by reference to the type of higher education that the officials of each generation received, since nearly identical proportions of both received a higher education in engineering while very small proportions of both had a higher education in economics. Using chronological generation criteria, one finds that 57% of the Stalinists and 58% of the post-Stalinists had a higher education in engineering. None of the Stalinists were trained in economics, and only 5% of post-Stalinists were. Information on educational specialization was missing for one post-Stalinist.

[28] A .05 level of significance was chosen, with one degree of freedom.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

TABLE 3
CHI-SQUARE SCORES FOR GENERATION, GROWTH RATES, AND EDUCATIONAL SPECIALIZATION

		Chronological Generation		*Recruitment Generation*		*Regional Growth Rates*[a]		*Educational Specialization*[b]	
	Problem Area	χ^2	*Summary*[c]	χ^2	*Summary*[c]	χ^2	*Summary*[c]	χ^2	*Summary*[c]
Systems Level	Planning Process	2.0	NS	2.2	NS	0.5	NS	1.5	NS
	Investment Policies	2.4	NS	0.7	NS	0.0	NS	5.5	S
	Unsatisfied Consumer Demand	1.2	NS	8.1	HS	0.2	NS	0.7	NS
	Labor Shortage	6.5	S	8.8	HS	3.3	MS	3.7	MS
	Supply Lines	0.0	NS	1.0	NS	0.0	NS	1.3	NS
	Construction Delays	5.7	S	6.0	S	8.3	HS	0.4	NS
	Labor Turnover	1.3	NS	0.0	NS	0.2	NS	0.1	NS
	Productivity	3.3	MS	6.4	S	0.6	NS	0.1	NS
	Product Quality	5.0	S	2.3	NS	0.4	NS	0.4	NS
	Technical Innovation	1.0	NS	0.9	NS	1.6	NS	1.9	NS
	Waste in Production Process	1.2	NS	2.0	NS	13.2	HS	5.7	S
Enterprise Level	Plan Fulfillment	3.0	MS	0.6	NS	2.4	NS	3.2	MS
	Corruption and Mismanagement	1.9	NS	0.2	NS	0.2	NS	0.1	NS
	Total Articles	287		261		287		260	
	Total Officials in Sample	74		67		74		66	

[a] For an explanation of how this sample was generated, see fn. 31.
[b] For an explanation of how this sample was generated, see fn. 32.
[c] Abbreviations stand for: NS—not significant at the .05 level; MS—marginally significant at the .05 level (between .10 and .05); S—significant at the .05 level; and HS—highly significant at the .05 level (smaller than .01). There is one degree of freedom.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

between generations turn out to be highly significant.[29] It is reasonable to conclude that one's definition of elite generations strongly affects one's conclusions concerning generational differences on the issues of unsatisfied consumer demand and plan fulfillment. Furthermore, it appears that the null hypothesis—that no significant relationship exists between generation and problem identification—is true, irrespective of one's definition of generation, for at least two problem areas previously thought to be generation-related: the planning process and investment policies.

Only two of the four problem areas that were identified more often by Stalinists have frequencies of identification according to chronological generation that are statistically significant or marginally significant at the .05 level: productivity and product quality. When recruitment generation is used as the independent variable, the differences between the generations are not statistically significant for the problem area of product quality.[30] As is the case with unsatisfied consumer demand and plan fulfillment, the choice of generational criteria strongly affects the findings on the issue of product quality. In the cases of technical innovation and material waste in the production process—both more often cited by Stalinists than by post-Stalinists—the frequencies of identification according to chronological and recruitment generations are not statistically significant irrespective of one's definition of generations.

The following picture emerges of the elite's generational differences in perceptions of industrial issues. First, no differences in levels of concern appear to exist on at least three issues: supply lines, labor turnover, and corruption and mismanagement. Second, while some generational differences exist in the levels of concern for such problems as the planning process, investment policies, technical innovation, and material waste in the production process, they are neither large enough nor systematic enough to be a basis for political cleavages along strictly generational lines. Third, in at least three problem areas—unsatisfied consumer demand, plan fulfillment, and product quality—the way in which elite generations are defined affects whether these problems can be considered potential areas of cleavage; the criterion of chronological generations accentuates generational differences on issues of plan fulfillment and product quality, and the criterion of recruitment generations accentuates

[29] Further analysis reveals that this anomaly is not the result of the 7 cases that were eliminated from the recruitment generation sample because of lack of information: when these cases are eliminated from the chronological generation sample, the results remain exactly the same.

[30] Again, it appears that this anomaly is not due to the different sizes of the samples; see fn. 29.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

generational differences on the issue of unsatisfied consumer demand. Finally, in three problem areas—the labor shortage, construction delays, and productivity—a statistically significant relationship between generations does exist. Therefore, the hypothesis that the regional party apparatus is divided on economic issues along generational lines can be accepted without any qualifications of definition for only three out of the thirteen issues examined.

None of these findings indicates anything about the strength of the relationship between generation and patterns of problem identification. Moreover, other factors in the sample might cause a possibly spurious relationship between generation and concern for the issues of the labor shortage, construction delays, and productivity. There seems to be no logical reason why a particular generation, judging from its socialization experiences, should be more concerned with these issues than with the other problems identified here. In fact, there is evidence that on several problem areas for which a statistically significant relationship with generation was found, factors other than generation may be more important sources of cleavages within the party elite. Thus, on the issue of construction delays, the growth rates of the officials' regions produce higher chi-square scores than either chronological or recruitment generation (chi-square = 8.3 using the chronological generation sample, highly significant at the .05 level; chi-square = 7.6 using the recruitment generation sample, also highly significant at the .05 level). Officials from high-growth regions show greater concern for this issue than those from low-growth regions.[31] On the problem area of plan fulfillment, for which a statistically significant relationship with chronological generation was found, the educational specializations of officials, a factor closely associated with their current area of administrative expertise, produce a slightly higher chi-square score than chronological generation (chi-square = 3.2, marginally significant at the .05 level).[32] Not only do these

[31] Both of the generational samples were divided into officials from high-growth and low-growth regions. Since the U.S.S.R. stopped publishing information on regional growth rates after 1975, the 1965-1975 period was used. Officials from regions with an average or higher-than-average growth rate were classified in the high-growth category. For the source of these figures, see *Narodnoe khoziaistvo RSFSR v 1975 godu: Statisticheskii ezhegodnik* [The national economy of the RSFSR in 1975: Statistical yearbook] (Moscow: "Statistika," 1976), 47-48.

[32] The sample was divided into those officials who had a higher education with an industrial specialization (engineering, technical, or economic) and those whose higher education was not industrially related. Five officials (3 Stalinists and 2 post-Stalinists) who had no higher education were eliminated from the sample, as was another post-Stalinist for whom no information could be found. Because of the difference in sample sizes, chi-square had to be recalculated for chronological generation. The previous sample size had produced a chi-square score of 3.0 for plan fulfillment, whereas the new sample resulted in a chi-square score of 2.3.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

results call into question the degree to which generation is a major source of cleavage; they also suggest that each generation may be significantly divided within itself along a number of lines, and that the impact of generation on the perceptions of party officials may be much subtler and more indirect than the simpler formulations of the generational hypothesis admit.

The Generations Divided

When officials without a higher education are eliminated from the chronological generation sample, the differences between the generations in levels of concern for the problem area of plan fulfillment decrease significantly; post-Stalinists without a higher education demonstrate a greater concern for the issue of plan fulfillment. (See fn. 32.) This finding fits into the traditional assumption that party officials who lack education tend to hold a more conservative economic outlook. Indeed, when one tests for the impact of higher education on perceptions of other problem areas by excluding those officials without a higher education from the chronological generation sample, the differences in the levels of concern according to generation increase for five problem areas: the planning process, unsatisfied consumer demand, construction delays, product quality, and waste in production. For one problem area, the planning process, the differences are large enough to turn what was previously a statistically insignificant relationship into a marginally significant one (chi-square = 3.3, marginally significant at the .05 level). Such patterns suggest that generational differences may be more important within particular subsections of the party elite than within the party elite as a whole, and that within each generation one may expect to find cleavages that erode any uniformity of perspectives along strict generational lines.

In order to test this proposition further, the chronological generation sample was controlled for the impact of regional growth rates and educational specialization on generational differences in levels of problem identification. (See Table 4.) The two variables represent forms of life-cycle effects upon the sample, both closely associated with bureaucratic position and areas of administrative expertise. In testing for their impact, one is implicitly testing for the potential influences that the socialization of a generational cohort into its particular administrative milieu may have on generational differences in perspectives.

In a number of problem areas, the differences between the generations grow larger when they are controlled for one of these variables. Previously, no statistically significant relationship was found between chron-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ological generation and the levels of concern for the planning process; but when officials from high-growth regions are eliminated from the sample, the relationship becomes marginally significant. Post-Stalinists from low-growth regions are markedly more concerned with the planning process than any other group. A similar pattern occurs for the problem area of technical innovation when officials from low-growth regions are excluded from the sample. Stalinists from high-growth regions are particularly interested in this issue. Generational differences for the problem area of investment policies, previously thought to be insignificant, grow statistically significant when officials from low-growth regions are eliminated from the sample, due to the low concern (compared to other subgroups) for this issue that is exhibited by Stalinists from high-growth regions. Levels of concern for the problem area of plan fulfillment, which earlier had been found to have marginally significant relationships with chronological generation and with educational specialization, have a highly significant relationship with generation (chi-square = 6.8) when officials from high-growth regions are eliminated from the sample. Post-Stalinists from low-growth regions are especially interested in this problem. Finally, due to the high level of concern for the issue of the labor shortage among post-Stalinists specializing in industrial affairs, generational differences for this issue, previously found to be statistically significant (chi-square = 6.5), become highly significant (chi-square = 9.2) when officials lacking an industrially related higher education are removed from the sample.[33]

In a number of instances, previously significant relationships become insignificant when controlled for the effects of regional growth rates and educational specialization. For the problem areas of construction delays and productivity, whose initial relationships with chronological generation were significant and marginally significant respectively, the relationships become statistically insignificant when officials from high-growth regions are eliminated from the sample. For the problem area of construction delays, the cause of these patterns can be ascribed to the large concern with this issue by post-Stalinists from high-growth regions; for the problem area of productivity, it is explained by the inordinate attention devoted to this issue by Stalinists from high-growth regions. In fact, when officials from low-growth regions are eliminated from the sample, the relationship between the generations grows even more significant on the problem area of productivity than had been the case when the sample was not controlled. Conversely, on the issue of product

[33] These findings occurred despite the fact that chi-square tends to take on smaller values when smaller sample sizes are used.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

TABLE 4

CHI-SQUARE SCORES FOR GENERATION, CONTROLLED BY REGIONAL GROWTH RATES AND EDUCATIONAL SPECIALIZATION[a]

		Regional Growth Rates							
		Low Growth				*High Growth*			
	Problem Area	*Stalinist*	*Post-Stalinist*	χ^2	*Summary*[b]	*Stalinist*	*Post-Stalinist*	χ^2	*Summary*[b]
Systems Level	Planning Process	15%	26%	2.7	MS	16%	19%	0.0	NS
	Investment Policies	19%	20%	0.0	NS	8%	24%	5.5	S
	Unsatisfied Consumer Demand	24%	24%	0.0	NS	18%	30%	2.3	NS
	Labor Shortage	13%	21%	1.9	NS	16%	31%	3.7	MS
	Supply Lines	31%	27%	0.2	NS	29%	30%	0.0	NS
	Construction Delays	10%	15%	1.0	NS	16%	31%	3.7	MS
	Labor Turnover	13%	9%	0.6	NS	16%	10%	1.0	NS
	Productivity	58%	58%	0.0	NS	67%	45%	6.1	S
	Product Quality	51%	35%	4.2	S	45%	36%	0.9	NS
	Technical Innovation	25%	25%	0.0	NS	41%	27%	2.8	MS
	Waste in Production Process	40%	32%	0.9	NS	16%	17%	0.0	NS
Enterprise Level	Plan Fulfillment	24%	43%	6.8	HS	27%	26%	0.0	NS
	Corruption and Mismanagement	15%	10%	0.9	NS	14%	9%	0.8	NS
	Total Articles	72	80	—	—	49	86	—	—
	Total Officials in Sample	17	14	—	—	18	25	—	—

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

TABLE 4 (continued)

		Educational Specialization							
		Non-Industrial Higher Education[c]				Industrially Related Higher Education			
	Problem Area	Stalinist	Post-Stalinist	χ^2	Summary	Stalinist	Post-Stalinist	χ^2	Summary
Systems Level	Planning Process	8%	18%	1.4	NS	16%	26%	2.6	NS
	Investment Policies	4%	14%	1.8	NS	20%	27%	1.4	NS
	Unsatisfied Consumer Demand	28%	31%	0.1	NS	20%	29%	2.1	NS
	Labor Shortage	12%	14%	0.1	NS	14%	33%	9.2	HS
	Supply Lines	16%	29%	1.4	NS	34%	29%	0.5	NS
	Construction Delays	8%	22%	2.4	NS	14%	27%	4.6	S
	Labor Turnover	12%	10%	0.1	NS	14%	10%	0.7	NS
	Productivity	52%	51%	0.0	NS	67%	52%	4.6	S
	Product Quality	52%	41%	0.8	NS	47%	35%	2.5	NS
	Technical Innovation	20%	27%	0.3	NS	38%	28%	2.3	NS
	Waste in Production Process	16%	16%	0.0	NS	36%	26%	2.2	NS
Enterprise Level	Plan Fulfillment	24%	47%	3.7	MS	27%	29%	0.1	NS
	Corruption and Mismanagement	20%	8%	2.2	NS	12%	10%	0.1	NS
	Total Articles	25	49	—	—	86	100	—	—
	Total Officials in Sample	12	12	—	—	20	24	—	—

[a] The sample used here is the chronological generation sample.

[b] Abbreviations in this column stand for: NS—not significant at the .05 level; MS—marginally significant at the .05 level (between .10 and .05); S—significant at the .05 level; and HS—highly significant at the .05 level (smaller than .01). There is one degree of freedom.

[c] Significance levels for officials with a nonindustrial higher education should be approached with caution, since the sample used to generate these figures is considerably smaller than for other categories.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

quality, which was found to have a significant relationship with chronological generation, the relationship between the generations becomes statistically insignificant when officials from low-growth regions are eliminated from the sample; when officials from high-growth regions are removed from the sample, the relationship remains statistically significant. These patterns are due to the especially high scores of Stalinists from low-growth regions.

Clearly, the impact of generation on the perceptions of the party elite is likely to be much more subtle than either the proponents or the opponents of the generational hypothesis suggest. Rather than constituting an autonomous basis for political action, generational divisions are likely to be more important when they intersect with other divisions based on bureaucratic position and areas of expertise, producing a complex mosaic of perspectives and outlooks that is only partly the result of generational factors. Depending on the specific issue, longstanding divisions rooted in bureaucratic conflicts can accentuate or mitigate generational differences in perspectives toward the economy.

In addition, each generation is significantly divided within itself along a number of lines, but not necessarily along the same lines and on the same issues. For instance, while the Stalinist generation is divided on the problem area of investment policies according to the growth rates of the officials' regions (chi-square = 2.9, marginally significant at the .05 level) and according to the fields of the officials' expertise (chi-square = 3.7, marginally significant at the .05 level), post-Stalinists are not divided according to growth rates, but only according to the fields of the officials' expertise (chi-square = 3.4, marginally significant at the .05 level). On the problem area of technical innovation, the Stalinist generation is divided by growth rates (chi-square = 3.4, marginally significant at the .05 level) and by fields of expertise (chi-square = 2.9, marginally significant at the .05 level), but post-Stalinists are not divided along either of these lines. And while Stalinists are divided by fields of expertise on the issue of supply lines (chi-square = 2.9, marginally significant at the .05 level), post-Stalinists are not. On the other hand, post-Stalinists are significantly divided by growth rates on the issues of construction delays (chi-square = 6.1, significant at the .05 level) and plan fulfillment (chi-square = 6.0, significant at the .05 level), but Stalinists are not significantly divided on either of these issues. And while post-Stalinists are divided by fields of expertise on the issue of labor shortages (chi-square = 5.8, significant at the .05 level), Stalinists are not.

In other words, the same factors of socialization seem to influence each Soviet generation, but in different ways. For both generations,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

bureaucratic position and administrative specialization are important socializing experiences; yet the distinct effects upon each generation have been quite different in some important respects. Stalin's slogan "technology decides everything" may have caused a significant portion of the Stalinist generation to put a high priority on the role of technology in determining economic growth. By contrast, the increasing limits on the availability of economic resources since Stalin's death appear to have created a consensus among officials of the post-Stalin generation concerning the importance of paying close attention to the proper functioning of supply lines and to obtaining sufficient levels of investment; such a consensus does not exist among the Stalinist generation. It may well be that these same factors of scarcity and of declining levels of economic growth have created divisions within the post-Stalin generation over the relative importance of the labor shortage, construction delays, and plan fulfillment which never existed in the Stalinist generation.

A summary of statistically significant relationships among generational subgroups is presented in Table 5. In general, particular subgroups of the post-Stalin generation show significantly high levels of concern for problems associated with the interrelationships among economic units and with the world beyond the enterprise, and particular subgroups of the Stalinist generation are especially concerned with the plant production process itself and with the internal functionings of the enterprise. But it would be highly misleading to generalize these concerns to an entire generation. The Stalinist generation appears to be much more uniform in its outlook on economic issues than is the post-Stalin generation. With some variations across subgroups, Stalinists tend to identify the problems of productivity, product quality, and technical innovation as areas of high concern. Although post-Stalinists are also concerned with these areas, particular subgroups among them show considerable interest in economic issues that are not frequently mentioned by their elders.

Using only those variables for which the samples were controlled in this study, we can identify a number of attitudinal subgroups among the post-Stalin generation that are distinctly different in their perceptions of Soviet economic problems. One group, which might be labeled "planners," is especially concerned with problems of the planning process and plan fulfillment and is found primarily among younger officials from low-growth regions. Its primary interests appear to arise from the planning pressures created by administering regions that no longer experience large-scale industrial development. By contrast, their elders who find themselves in the same situation of low growth focus their attention

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

TABLE 5

SUMMARY OF STATISTICALLY SIGNIFICANT RELATIONSHIPS AMONG CHRONOLOGICAL GENERATION SUBGROUPS

	Problem Area	*Higher-Scoring Subdivision*[a]	*Lower-Scoring Subdivision*[a]	χ^2	N[b]	*Summary*[c]
Systems Level	Planning Process	Post-Stalinist Low-Growth (26%)	Stalinist Low-Growth (15%)	2.7	152	MS
	Investment Policies	Post-Stalinist High-Growth (24%)	Stalinist High-Growth (8%)	5.5	135	S
	Unsatisfied Consumer Demand[d]	None	None	—	—	—
	Labor Shortage	Post-Stalinist Specialist (33%)	Stalinist Specialist (14%)	9.2	186	HS
	Supply Lines	None	None	—	—	—
	Construction Delays	Post-Stalinist High-Growth (31%)	Stalinist High-Growth (16%)	3.7	135	S
	Labor Turnover	None	None	—	—	—
	Productivity[e]	Stalinist High-Growth (67%)	Post-Stalinist High-Growth (45%)	6.1	135	S
	Product Quality[e]	Stalinist Low-Growth (51%)	Post-Stalinist Low-Growth (35%)	4.2	152	S

TABLE 5 (continued)

	Problem Area	*Higher-Scoring Subdivision*[a]	*Lower-Scoring Subdivision*[a]	χ^2	*N*[b]	*Summary*[c]
Enterprise Level	Technical Innovation	Stalinist High-Growth (41%)	Post-Stalinist High-Growth (27%)	2.8	135	MS
	Waste in Production Process[f]	None	None	—	—	—
	Plan Fulfillment	Post-Stalinist Low-Growth (43%)	Stalinist Low-Growth (24%)	6.8	152	HS
	Corruption and Mismanagement	None	None	—	—	—

[a] Figures in parentheses refer to the percentage of articles written by this particular subgroup in which the problem area was identified.
[b] Total number of articles written by both subgroups.
[c] Abbreviations in this column stand for: NS—not significant at the .05 level; MS—marginally significant at the .05 level (between .10 and .05); S—significant at the .05 level; and HS—highly significant at the .05 level (smaller than .01). There is one degree of freedom.
[d] Though no significant relationship was found for the problem area of unsatisfied consumer demand using chronological generational criteria, a highly signficant relationship was found using recruitment generational criteria (chi-square = 8.1), with post-Stalinists scoring higher than Stalinists. It appears that the definition of generation strongly affects conclusions about generational attitudes for this problem area.
[e] Both generations identified these two problem areas most frequently.
[f] Though no significant relationship was found for generation, a highly significant relationship was found between regional growth rates and the frequency with which an official identified waste in the production process as a problem (chi-square = 13.2); officials from low-growth regions scored higher than those from high-growth regions.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

primarily on the issues of product quality, waste in the production process, and productivity. Post-Stalinists from low-growth regions, however, not only exhibit impatience with the operations and decisions of the central planning organs, but are also more demanding toward their subordinates in their fulfillment of plan assignments. "Planners" may recognize the need for restructuring the planning system as it currently exists, but they expect and demand strict adherence to the logic of that same system on the part of their subordinates. It is easy to see that such officials might be attracted to recent attempts, such as occurred under Andropov, to crack down on corruption and to instill discipline in the Soviet bureaucracy. A second group might be called the "resource-hungry." They are found largely among post-Stalinists from high-growth regions; while they share a general concern for obtaining sufficient levels of capital investment with the rest of their generational peers, they part company with them in their emphasis on problems associated with rapid growth and the shortages it generates—shortages of capital, labor, and materials. These resource-hungry within the post-Stalin generation do not demonstrate the same concern for the issues of productivity and technical innovation that is shown by members of the Stalinist generation who have also administered high-growth regions; of all the subgroups of the regional party elite, they have the lowest level of concern for the issue of productivity, one that is significantly below others of their own generation. Unlike their elders from the same high-growth regions (who identified investment policies least frequently as an area of concern), and unlike their generational counterparts from low-growth regions, the resource-hungry are more interested in attracting economic inputs to their regions than in improving the operation of the planning organs or in obtaining a better record of plan fulfillment. Though they view economic problems largely in terms of the allocation and reallocation of resources, it is not clear whether they are more likely than other groupings to consider the lack of adequate consumer goods and services as a problem deserving attention. Both of these subgroups are in turn transcended by divisions along the lines of industrial specialists and nonspecialists; younger specialists pay close attention to the problem of the labor shortage, and younger nonspecialists to the problem of plan fulfillment, more frequently than similar groups among the older generation. Undoubtedly there are other subgroups within the post-Stalin elite that have not been studied here and that also cut across existing divisions within the party apparatus.[34]

[34] The reader should be warned against attempting to use the findings of this study to predict the attitudes of individual officials or leaders in the Soviet hierarchy without closely

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Conclusion

While it is difficult to speak of a conflict within the party elite along strict generational lines, generational differences may be more important within particular subgroups of the elite than within the elite as a whole. The impact of generational change is likely to be highly complex, lending an added dimension to longstanding divisions within the Soviet elite. The argument that the younger generation is more keenly aware of the systemic and functional shortcomings of the Soviet economy is in need of serious revision. It would be more accurate to assert that particular subgroups within the younger generation are more aware of specific systemic problems of the economic mechanism than are members of similar subgroups within the older generation; but this does not translate into a broader awareness of jointly perceived economic problems. Two subgroups within the post-Stalin elite, the planners and the resource-hungry, have quite different perceptions of the nature of Soviet economic problems. Such divisions do not exist in the Stalinist generation. Within the post-Stalin elite, divisions also exist along lines of administrative specialization; the economic concerns of these groups are different from those of analogous officials in the older generation. Other subgroups may exist as well.

These findings also suggest that neither the experiential nor the life-cycle models of generational conflict alone can explain patterns of problem identification among Soviet political generations. Jorge Dominguez has suggested that in a stable, postrevolutionary political situation, in

examining their writings; not all of the potential cleavages within the party elite have been explored here. This becomes clear when one examines the concerns expressed by the current members of the Soviet leadership who are included in this study. Grigorii Romanov's interests, for example, appear to be typical for his particular generational and administrative subgroup. (Born in 1923, he was classified as a Stalinist from a high-growth region.) Romanov frequently cites the issues of productivity and technical innovation and devotes considerable attention to the issue of material waste in the production process—a pattern typical of other industrial specialists of the older generation. On the other hand, Yegor Ligachev, born in 1920, devotes particular attention to the issue of plan fulfillment—as one would expect of a post-Stalinist from a low-growth region—even though Ligachev formally falls into the category of Stalinist from a low-growth region. If Soviet leader Mikhail Gorbachev had been included in this study, he would have been classified as a post-Stalinist from a high-growth region. Yet his emphasis in recent months on beefing up discipline and improving the operation of the planning system is more typical of post-Stalinists from low-growth regions. Several explanations might be given for this. First, Stavropol' *krai*, Gorbachev's native region, has experienced only slightly above-average industrial growth rates in the past two decades. Second, post-Stalinists without a higher industrial education (such as Gorbachev) tend to put particular emphasis on the issue of plan fulfillment in their articles. Finally, it may be that, upon assuming higher responsibilities in the party, Gorbachev began to reflect the views of post-Stalinists from low-growth regions in spite of his prior administrative experience—either because of political expediency or because of different perspectives gained from his new responsibilities.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

which elite recruitment is highly controlled from above and in which a profoundly conservative social order reigns, life-cycle effects are likely to play a more important role as a factor in elite socialization than in other circumstances, such as when elite recruitment is less centralized, or when society is undergoing rapid change and discontinuity and the strains of severe conflict.[35] In general, this study confirms these observations; life-cycle effects, in the form of administrative specialization and bureaucratic position, appear to play a critical role in shaping attitudes among Soviet elites, though not necessarily in conformity with the traditional assumptions of the life-cycle model. Samuels has noted "the paradox of generational hypotheses," which

> appears because the two models treat continuity and change in opposite ways at both the individual and societal levels. At the individual level persistence is associated with the experiential model while change is associated with the maturational model, but at the societal level precisely the reverse is true.[36]

The evidence presented in this study suggests that under certain circumstances some life-cycle effects may actually *reinforce*, rather than simply mitigate, generational differences in perspectives. Although a much more complex interaction between life-cycle and experiential models is taking place in the Soviet case than the traditional assumptions of either model admit, one can only speculate on the reasons. The postrevolutionary character of contemporary Soviet politics, with its peculiar combination of scarred political history and stable bureaucratic political process, may account for some of these peculiarities, as may the impact of the changing economic fortunes of the Soviet system and its effect upon the perceptions of administrators.

Finally, it would seem that a potential reformer in the Soviet system might be able to find some support for dealing with the systemic ills of the Soviet economic mechanism within certain subgroups of the younger generation. But, judging from the findings of this study, members of the younger generation will have a difficult time agreeing on the most important problems in the economy that deserve attention. Conservative elements within the leadership could potentially use these disagreements to block change. In the end, the impact of generational change in the Soviet Union will depend upon how skillfully political leaders utilize the existing divisions within the post-Stalin elite to their advantage.

[35] Jorge Dominguez, in Samuels (fn. 6), 135-41.
[36] Samuels (fn. 6), 1-2.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

INDIA'S NUCLEAR AND SPACE PROGRAMS: Defense or Development?

By RAJU G. C. THOMAS*

MORE than a decade has passed since India exploded its first atomic device in May 1974 in the Rajasthan desert, thereby raising several international and domestic issues regarding the ultimate purpose and the level of technological capabilities of India's nuclear program. The explosion drew attention to the thin line that separates the domestic civilian nuclear energy program from India's potential nuclear weapons capability. Of related interest, but subject to less international scrutiny, is the country's space program. While the growing capability in space technology is directed toward improving domestic telecommunications and meteorological forecasting systems, it also points to the latent development of India's strategic nuclear delivery vehicles.

Whether originally intended or not, nuclear and space programs serve dual purposes. They are perceived as significant symbols of successful development planning while at the same time the ability to produce nuclear weapons and delivery systems represents power and prestige in the international community, even if the country is still considered to be a developing one. China is an example.

The purpose of this article is to examine the case of India. In particular, we will inquire into the defense and development motivations that underlie high technology programs and the manner in which they interact and further increase the level of technological capabilities.

The Dimensions of the Problem

Typology of Potential Nuclear Proliferators

A study of the Indian case indicates the need to draw a distinction between development-oriented and defense-oriented potential nuclear

* I would like to thank the following foundations and universities for various grants and research assistance: the Ford Foundation; the Institute for the Study of World Politics; Harvard University's Center for Science and International Affairs; U.C.L.A.'s Center for International and Strategic Affairs; the University of Illinois's Office of Arms Control, Disarmament, and International Security; and Marquette University's Committee on Research.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

weapons proliferators. Threshold nuclear weapon states that fall into the first category are those whose primary motivation is the production of nuclear energy for civilian needs. In this case, nuclear weapons are incidental to, or a spinoff from, civilian nuclear development programs. No external threats are expected to be resolved through their acquisition. Nuclear weapons may be sought for reasons of national pride and international prestige, or simply because the capability exists to produce them. No doubt, if one of these states chooses to acquire nuclear weapons, neighboring states may feel threatened; if there is a rival state with sufficient resources and motivation, a regional nuclear arms race may ensue. In such a case, problems of security are the result of earlier non-security decisions to acquire a nuclear weapons capability.

Argentina and Brazil are examples of states whose nuclear programs are primarily development-oriented. There are no major disputes or serious threats that are likely to lead to war. Some security motivations may exist in the case of Argentina after the 1983 Falkland Islands war with Britain; in the wake of defeat and humiliation at the hands of a nuclear weapons power, Argentina might conceivably feel provoked into acquiring a nuclear weapons capability. Such a decision, however, is more likely to cause a nuclear arms race with Brazil than with Britain—even though there appear to be no regional disputes that would justify it. In fact, both Brazil and Argentina have embarked on major nuclear energy programs, and both have the capability to make nuclear weapons as well. Thus, if either Brazil or Argentina made a decision to acquire nuclear weapons, it would more likely be based on considerations of international prestige than on security motivations.

In the second category are states that have embarked on a "dedicated path" toward acquiring nuclear weapons because of serious problems of security. A feeling of encirclement may prevail, and fears that the state may be dismembered or eliminated as a political entity may influence the decisions of its leaders. Nuclear weapons are perceived as the ultimate solution for survival. In some cases, the development of nuclear energy is an afterthought—or a cover for a nuclear weapons program. Of course, if it could be shown that nuclear energy constituted a commercially viable alternative to conventional sources of energy, it would be difficult to argue that the sole purpose of nuclear energy projects was the development of clandestine nuclear weapons. In those cases, the domestic debate invariably focuses on the external threat and the necessity of a nuclear weapons program to meet it, whether nuclear energy is viable or not.

Examples in this category are Israel, South Africa, and Pakistan. Both

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Israel and the Republic of South Africa are essentially intrusive European communities in the Middle East and Africa who perceive themselves as surrounded by hostile Arab or Black African states, and who consider their ultimate means of survival to be the ability to acquire nuclear weapons and to threaten the massive destruction of those who would seek their annihilation. To a lesser extent, Pakistan may perceive nuclear weapons to be an effective way to correct the military imbalance on the subcontinent that is currently in favor of India. Pakistani fears remain strong that India may seek to undo the 1947 partition of India or may encourage the further dismemberment of Pakistan, as in the creation of Bangladesh in 1971. And, as in the case of Israel and South Africa, the survival of the state is perceived to be at stake; nuclear weapons may be considered a deterrent to prevent that ultimate catastrophe.

In these three countries, the risk of not possessing nuclear weapons may be seen as greater than the risk of possessing them. Although in recent years all three have sought to develop nuclear energy programs for presumably legitimate civilian purposes, their policies have followed concerted efforts to acquire a nuclear weapons capability short of demonstration. In this respect, they are no different from the existing nuclear powers who produce nuclear weapons for security reasons, whether nuclear energy is viable or not.

India, Taiwan, and South Korea fall somewhere in between. Like Pakistan, Israel, and South Africa, all three face serious regional security problems. During times of intense crises, the possession of nuclear weapons may be seen as useful for deterring an attack, though not necessarily as crucial to the state's survival. As long as India faces a nuclear threat from China only, it may be managed through diplomacy or by soliciting intervention on its behalf from the Soviet Union or the United States. Even if the credibility of external nuclear guarantees provided by the superpowers is low, there appears to be no issue at present between India and China that would invite a massive nuclear attack by China. Thus, the risk of not having nuclear weapons seems to be lower than the risk of possessing them.

South Korea and Taiwan perceive themselves as threatened by China and the Soviet Union. Nevertheless, they may believe that attempts to achieve an independent nuclear deterrent are not feasible or carry an even greater security risk. Continued acceptance of the American nuclear umbrella, however weak, may seem preferable to a provocative nuclear arms buildup that may invite preemption. Under these circumstances, the desirability of acquiring nuclear military capability remains ambiguous.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

India, Taiwan, and South Korea, like Brazil and Argentina, have embarked on nuclear energy programs that are said to be independent of military needs. These civilian programs have generally preceded attempts to acquire a nuclear weapons capability. Limited domestic energy resources, costly dependence on oil imports, and vulnerability to shocks in the international energy market are usually given as rationales for developing nuclear energy. No doubt these reasons are also valid in the case of Israel, Pakistan, and South Africa. In fact, South Africa's inability to import oil from the OPEC nations has prompted it to embark on a nuclear energy program for reasons similar to those of India. While Brazil and Argentina, at one end of the spectrum, can do without nuclear weapons, Israel, and to a lesser extent, Pakistan and South Africa at the other, tend to perceive the acquisition of nuclear weapons capability on short notice as a matter of strategic necessity or even of survival. India, South Korea, and Taiwan lie in between; they are faced with various interlocking alternatives that carry both economic and defense objectives.

Table 1 places these countries, as well as Libya, Egypt, Iraq, and the Philippines, in three categories.

TABLE 1
TYPES OF NUCLEAR DEVELOPMENT IN THE THIRD WORLD

Defense-Oriented	*Development-Oriented*	*Defense and Development-Oriented*
Israel	Brazil	India
South Africa	Argentina	Taiwan
Pakistan	Philippines	South Korea
Libya		Egypt
		Iraq (?)

Classifying countries by whether their nuclear programs are defense- or development-oriented may be helpful in determining the type of policies needed to weaken incentives for acquiring nuclear weapons and to strengthen incentives for confining nuclear programs to peaceful purposes. States facing serious security problems should be encouraged to provide conventional defense alternatives and to resolve disputes in the region. States whose main motives are developmental should be aware of the greater security risks of acquiring nuclear weapons.

A major problem lies in the fact that there is little difference between a defense-oriented and a development-oriented nuclear program. If all states assert that they are following the Indian example, then the above distinctions may seem ambiguous and of dubious value. However, our classifications are based not only on the types of nuclear programs, but

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

on an examination of the states' strategic environment and their security perspectives. For example, Pakistan's motives seemed apparent in the late 1970s and early 1980s, when it sought to acquire a uranium enrichment plant and a waste fuel reprocessing plant (both of which can be diverted to nuclear weapons production) even before a serious nuclear energy program had been established. Allegations that Israel possesses "bombs in the basement" continue to prevail. Today, even Pakistan is following the example of India by maintaining an ambiguity of purpose between defense and development in the nuclear sector. Similarly, Israel has begun to show some interest in acquiring a nuclear energy program although the obvious risks from suicidal terrorist attacks on its reactors should be apparent.

Finally, the development of space programs in the Third World has received little attention as part of the nuclear proliferation issue. One reason is that most of the potential nuclear proliferators do not need missile delivery systems to reach the strategic targets of their present or potential adversaries. The exception has been India, where perceptions of a Chinese nuclear threat have been one of the driving motivations for acquiring a nuclear weapons capability. Since most major Chinese cities and industrial bases are beyond the reach of Indian combat aircraft, an independent and survivable Indian nuclear deterrent against China would require the development of intermediate and long-range missiles capable of delivering warheads up to 6,000 miles away from southern launch bases in India. (At present, India's only rocket-launching base is at Thumba on the southern tip of the Indian peninsula—almost 3,000 miles from the Chinese border.)

Like the peaceful nuclear energy program, the peaceful space program may carry a double effect. Advances in rocket technology and capabilities not only improve India's satellite telecommunications and meteorological systems, but also provide it with potential ballistic missile delivery systems. A rocket need only be sent on a ballistic trajectory to hit targets on earth, while the weight of the satellite will determine the potential payload of warheads the missile may carry. An examination of the Indian space program should provide further insights on how defense and development objectives tend to interact. The Indian case, in turn, will furnish clues to the behavior of other threshold nuclear weapons states and the problems that must be faced in dealing with them.

THE INDIAN CASE

The policies and programs of India's Department of Atomic Energy and Department of Space suggest linkages between domestic economic policy and external strategic purpose, and between civilian development

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

programs and military capabilities. First, the domestic-strategic linkages point to the external constraints on India's nuclear energy and space programs. The technological progress of the Atomic Energy and Space Department carries implications for the regional strategic balance and for global concerns regarding nuclear proliferation. Hence, there have been external efforts to limit or supervise India's development in these fields. Second, the civilian-military linkages point to the interdependence of economic development and defense programs in India, especially in the fields of nuclear energy and space. As noted earlier, development arguments in these fields may conceal a strategic rationale.

In view of these linkages, we are concerned with the domestic and strategic motivations and the civilian and military capabilities underlying India's nuclear and space programs, and with their implicit development and defense arguments.[1] The level at which these motivations interact determines the technological pace or momentum at which India's nuclear and space programs and capabilities may be expected to progress. Those interactions are depicted in Figure 1. (My perception of India's actual technological momentum is suggested in parentheses.)

This simple matrix hypothesizes four levels of technological momentum and growth that may be expected in India's nuclear and space programs based on the interaction of defense and development motivations. Since there are no technological "fixes" that can prevent the

Development Motivation	Defense Motivation: Low Threat	Defense Motivation: High Threat
Cost-efficient	1 Moderate (Strong)	2 Strong (Intense)
Cost-inefficient	3 Weak (Moderate)	4 Moderate (Strong)

FIGURE 1
DETERMINATIONS OF INDIA'S TECHNOLOGICAL MOMENTUM

[1] In a similar approach, Onkar Marwah conceived three potential strategic choices: (a) technical and managerial decisions and policies that generate capabilities allowing for a choice between a civilian and military nuclear and space program; (b) financial and economic decisions based on national priorities and opportunity costs; and (c) political and strategic decisions stemming from the growth of the civilian program. See Marwah, "India's Nuclear and Space Programs: Intent and Policy," *International Security* (Fall 1977), 97.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

conversion of civilian nuclear programs into military programs, the incentive to push nuclear and space programs will depend on two factors: perceptions of the level of external threats that may be resolved through a buildup of nuclear weapons and missile delivery capabilities, and assessments of the commercial viability of civilian nuclear energy and rocket and satellite programs. The higher the perceived threat, the greater the need to establish strong technological capabilities for defense purposes. Similarly, the more cost-efficient the civilian program, the greater the impetus to achieve technological capabilities for development purposes. When the military and civilian conditions interact, the technological momentum in nuclear and space programs is strong (square 2).

The converse situation—a combination of low external threats and cost-inefficient civilian nuclear and space programs—will produce a weak technological momentum (square 3). Where the threat is low and the civilian nuclear program is cost-efficient, or where the threat is high and the civilian nuclear program is cost-inefficient, offsetting tendencies may be expected to produce a moderate technological momentum (squares 1 and 4, respectively).

The Indian experience suggests, however, that the technological momentum is greater at every level than suggested above. (See parentheses in the diagram.) In square 2 (high threat and cost-efficient), it is likely to be intense rather than merely strong. This situation is expected to prevail toward the end of the century. In square 3 (low threat and cost-inefficient), the momentum, as reflected in the period before the 1964 Chinese atomic test, appears to be moderate rather than weak. And in squares 1 and 4 (offsetting threats and costs), the momentum is likely to be strong rather than moderate. Square 4 reflects the present situation, in which Pakistan is attempting to acquire a nuclear weapons capability while the nuclear energy program in India still seems to be cost-inefficient compared to traditional sources of energy.

Reasons for the higher technological momentum at all levels are not hard to find. Before the 1962 Sino-Indian war and the Chinese atomic test in 1964, India's nuclear and space programs proceeded at a moderate pace. The primary objective during this period was development for long-term civilian needs. Growth in technological capabilities was partly independent of defense and perhaps of development needs; it was caused by the flood of technical manpower that has been released into the job market by Indian institutions of higher learning.[2] Among this group

[2] It has become a commonplace observation that India has the largest pool of scientists and engineers after the United States and the Soviet Union. Although the general quality

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

are a large number of highly qualified nuclear and space scientists and engineers who, unless they are absorbed by local development projects in their areas of expertise, may leave India for the industrialized West. Under these circumstances, it may be argued that it is technological availability that tends to determine the size of both development and defense programs, rather than the other way around.

Thus, although conceptually the technological momentum should appear to be moderate under squares 1 and 4 in the matrix (low threat/cost-efficient and high threat/cost-inefficient), in practice the Indian case suggests a strong rather than a moderate technological momentum. The difference between square 2 and squares 1 and 4 is that in the latter cases, there may be greater domestic controversy and debate before funds are allotted to nuclear and space programs.

The technological momentum is likely to be reduced if there are substantial external political pressures and technological constraints. Particularly after the Indian atomic test of 1974, the United States and other Western powers put considerable pressure on the government not to proceed further with its nuclear explosives program (peaceful or otherwise). Canada halted its technological cooperation with India, while the United States, under the self-imposed constraints of the Nuclear Non-Proliferation Act of 1978, sought to terminate its collaboration in the operation of the American-built nuclear reactor near Bombay. But these constraints may slow down the technological momentum only temporarily. If the civilian program is perceived to be cost-efficient and the external threat is perceived to be high (square 2), it is unlikely that external pressures and constraints will produce moderation in the long run. On the contrary, past external efforts to stem or stop the Indian nuclear program because of its allegedly covert military purposes have tended to produce a greater determination to go it alone.

The square 3 condition (a weak or moderate technological momentum) has not prevailed in India since the first Chinese atomic test of October 1964. Because of the perceived Chinese nuclear threat, India's defense policy makers have refused to give up their nuclear weapons option, which could be brandished explicitly or implicitly under conditions of crisis on the subcontinent. In fact, the Bangladesh crisis of 1971, when Chinese intervention was feared in an Indo-Pakistani war, may have led to India's decision to explode the first atomic device in May 1974.

---

of much of this pool may not be comparable to Western standards, there is a core group—especially in the Departments of Atomic Energy and Space—that compares well with the best in the world.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

On the domestic civilian level, Indian planners are convinced that nuclear energy will constitute the long-term solution to India's energy needs. There are few important dissenters on this official position. According to Raja Ramana, Director of the Bhabha Atomic Research Center and Secretary of India's Department of Atomic Energy,

> Looking at it with the experience of the past and the terrifying energy problems of the future, I can think of no other source of energy that has been discovered to date except nuclear energy, which can solve the energy problems of this country during the next 25 years and beyond.[3]

The hypothetical situation projected in square 3—a low level of threat and cost-inefficient development—remains the desired objective of U.S. nuclear nonproliferation policy abroad. The ability of the United States and other powers to persuade India to slow down or discard its "weapons-convertible" nuclear and space programs depends on two future conditions. First, it depends on the degree to which India's relations improve with its two traditional adversaries, Pakistan and China. In particular, perceptions of nuclear threat from these two directions would have to be reduced: Pakistan would have to give up its threat to become a nuclear power and China would have to start cutting back on its nuclear weapons development. Second, it depends on the demonstration that the recent failures of nuclear energy programs in the United States and elsewhere are of a permanent nature. India has been especially suspicious that Western claims of heavy cost overruns and safety hazards in the development of nuclear energy are partly based on the need to curb nuclear proliferation rather than on an objective assessment of nuclear energy's long-term contribution to civilian energy needs.[4]

Defense and Development Motivations

THE DEFENSE MOTIVATION

Two major phases may be discerned in India's efforts to acquire nuclear weapons capability. The Sino-Indian war of October 1962 and the testing of China's first atomic bomb two years later raised the issue of a nuclear threat from the north and brought about the debate over

[3] Ramana, "Inevitability of Atomic Energy in India's Power Programme," in Rajendra K. Pachauri, ed., *Energy Policy for India* (Delhi: Macmillan Company of India, 1980), 221-38, at 221.

[4] For the present, at least, there is little slowing down of India's technological momentum even though nuclear power plants have had to be shut down at Tarapur because of delays in the shipment of enriched uranium from the United States, and at Rajasthan because of the lack of heavy water.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

whether to exercise India's nuclear option. This phase may be termed the traditional nuclear threat perspective. India first considered entering the second phase around the time of the 1971 Bangladesh crisis. When Sino-American rapprochement began to raise questions about the credibility of external nuclear guarantees against a possible Chinese nuclear threat, India tested its first atomic device. This second phase, beginning about 1974, may be termed the revised nuclear threat perspective.

The traditional nuclear threat perspective. Between the first Chinese atomic test in 1964 and the Indo-Pakistani war of December 1971, there was considerable debate in India on whether the nation should proceed to develop its own nuclear weapons. The Chinese military ultimatum to India during the Indo-Pakistani war of 1965, and the continuation of Chinese atomic tests thereafter, reinforced the case of the pro-bomb lobby in India. The basic argument was that, even if Chinese nuclear weapons development was directed mainly against the Soviet Union, there was no guarantee that China would not resort to (perhaps veiled) nuclear blackmail during times of crisis on the subcontinent.[5] Especially in view of the unexpectedness of the Sino-Indian war of 1962, proponents of the bomb maintained that the nuclear contingency should be taken into account in Indian defense preparations: according to this argument, maintaining ten mountain divisions—as India has done since 1963—may prove to be futile if the conventional threat from the north were to escalate to a nuclear level in future Sino-Indian confrontations.

The pro-bomb lobby—led in parliament at the time mainly by the Jan Sangh party—did not find many adherents. A nuclear India was considered more likely to increase the Chinese nuclear threat than to reduce it. Besides, the growing intensity of the Sino-Soviet rift, together with the continuing hostility of the United States toward the communist government in Beijing, held promise that one or both superpowers would restrain China from resorting to nuclear threats against India. Above all, nuclear weapons would serve no defensive or deterrent purpose while India lacked the delivery capabilities to attack Chinese nuclear launching systems or Chinese industrial centers. The Indian space program had started only in 1963 and was still a long way from developing its own rocket systems that could be converted into a ballistic missile delivery system.

While the government of India rejected the case for building nuclear weapons, it also rejected proposals that advocated the renunciation of

[5] For this argument, see General J. N. Chaudhuri, *India's Problems of National Security in the Seventies* (New Delhi: United Services Institution of India, 1973), 16-20.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

nuclear weapons for moral reasons. Proponents of this alternative were found mainly among those who considered themselves disciples of Mahatma Gandhi. One of the more important of these was Morarji Desai, who was finance minister under both Nehru's and Indira Gandhi's Congress governments and later became prime minister in the Janata government. Although Desai had called upon the nation to make every sacrifice for the defense of the country after the 1962 Sino-Indian war, his subsequent attitude toward nuclear weapons—especially during his term as prime minister—suggested a preference for unilateral renunciation.[6]

India's nuclear policy during the years before the Bangladesh crisis of 1971 lay between these two extremes and may be termed the strategy of maintaining a nuclear weapons *option*. Under this policy, India did not actually make nuclear weapons, but constantly threatened to do so. Such a posture served a primary and specific, as well as a secondary and general, purpose. First, in view of the commitment of the two superpowers to stop the spread of nuclear weapons, both would presumably be anxious to provide India with credible nuclear guarantees against the Chinese nuclear threat in order to prevent it from carrying out its veiled threats to become a nuclear power. Second, India's threat to become a nuclear power was intended to pressure the existing nuclear "haves" into reducing and eventually eliminating their existing nuclear stockpiles.

While the first objective took care of the problem of the immediate Chinese nuclear threat, the second was expected to improve the general climate of international security and to provide benefits for India at the same time. Thus, by wielding the nuclear weapons option, India avoided the vulnerability of unilateral renunciation of nuclear weapons on the one hand, and the increased dangers involved in embarking on a nuclear arms race with China on the other. This approach proved to be a useful policy between the extremes of inaction (unilateral renunciation) and action (a nuclear weapons program).

The revised nuclear threat perspective. The traditional nuclear policy was discarded temporarily in May 1974, when the "option" was in fact carried out—i.e., when an underground atomic test was conducted at Pokharan in the Rajasthan desert. India thus joined the nuclear club, which until then had been confined to the five permanent members of

[6] Desai again reiterated this position in 1981, two years after the Janata government fell from power, when he called upon Prime Minister Indira Gandhi to renounce nuclear weapons. Ironically, Desai's preference for unilateral renunciation of nuclear weapons had been rejected earlier even by the majority of his colleagues in the Janata government. See *New York Times*, June 3, 1981.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the U.N. Security Council. Although the 1974 atomic test was officially declared to be for peaceful purposes, there were certain strategic and domestic political reasons for the decision. In its wake, new external reactions have arisen—especially in Pakistan—and have further transformed India's nuclear environment.

The initial motive for proceeding with plans to conduct an atomic test goes back to the Bangladesh crisis and the Indo-Pakistani war of 1971. During that prolonged crisis, efforts by President Nixon and Secretary of State Kissinger to seek the normalization of U.S. relations with China suddenly raised doubts about the credibility of external nuclear guarantees against China. The signing of the Indo-Soviet Treaty in August 1971 may be interpreted as the immediate Indian reaction to these global developments.[7]

In spite of the treaty, doubts remained about the long-term effects of the new Sino-American relationship on India's nuclear security. The nuclear indemnity provided by both superpowers against China before 1971 now seemed to have been reduced to a more dubious Soviet nuclear guarantee. Because the superpowers were perceived to neutralize each other with their retaliatory strike capabilities, potential Chinese nuclear threats appeared to be more credible. India's 1974 atomic test therefore may be seen as a delayed Indian response to the evolving global realignments.

In addition, the timing of the atomic test in May 1974 suggests a more immediate domestic political rationale. With the signing of the Simla Agreement between India and Pakistan in 1972, and simultaneous Indian efforts to normalize relations with China, the urgency of exercising the nuclear option had actually receded. On the other hand, by spring of 1974, Mrs. Gandhi faced serious economic and political problems at home. Inflation, crop failures, and the oil crisis had caused the economy to become sluggish.[8] The detonation of an atomic device in May 1974 may thus have been directed at the domestic political audience, to dampen the stirrings of political unrest and to generate national pride and solidarity.

[7] This treaty was intended as a deterrent against Chinese intervention. Articles 8, 9, and 10 carried clauses of a quasi-military nature, which pledged both sides not to assist each other's adversaries during times of conflict, and to enter into consultations during such times. Article 9 in particular suggested the possibility of Soviet military assistance to India during crisis conditions. For the full text of the Indo-Soviet Treaty, see *Current Digest of the Soviet Press* 23 (September 1971), 5.

[8] In 1973, the consumer price index had risen by 17.8% over the previous year, while the food price index had risen by 21.3%. In 1974, the inflation in consumer prices was running at 28% and in food prices at 31%, largely because of the drastic increases in the price of oil imports and the failure of the monsoon rains in 1973. Figures obtained from Surjit S. Bhalla, "India's Closed Economy and World Inflation," in William R. Cline and Associates, *World Inflation and the Developing Countries* (Washington, DC: Brookings Institution, 1981), 137.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Whatever the motives, the Indian atomic test triggered a Pakistani commitment to develop what Prime Minister Zulfikar Ali Bhutto called a "Muslim bomb." According to Indian assessments, the Pakistani nuclear bomb was being developed with indirect Libyan and perhaps Saudi financing, uranium supplies from Niger, and the clandestine transfer of equipment from Western Europe and North America.[9] The implications of these developments are far-reaching. Even if India's present dilemma stems from its decision to test a "peaceful" nuclear device, New Delhi may find the traditional policy of only threatening to exercise the nuclear weapons option to be unacceptable as long as Pakistan remains on the brink of nuclear weapons capability.[10] Pakistan's efforts to acquire a uranium enrichment plant and a reprocessing plant in response to India's 1974 test imply that both countries are already engaged in a covert nuclear arms race.

If the government of India chose to proceed along the seemingly irreversible path of a nuclear weapons program, it would have to take into account the effects on both a nuclear China and a nuclear Pakistan, especially in the context of the quasi-alliance that existed—and perhaps still exists—between the two. The question then would be whether the decision to embark on a nuclear weapons program would enhance or reduce India's security. Arguments may be advanced on both sides. In the case of China, the traditional Indian posture of only threatening to exercise the nuclear option seemed to ensure that China's nuclear arsenal would continue to be directed at the Soviet Union instead of India. With the proposed new Indian nuclear policy, China may be expected to direct some of its nuclear weapons at India; in fact, China would possess a credible deterrent against India based on a retaliatory strike capability.

The counterargument suggests that the growth of India's rocket and space programs, which in effect provides India with Intermediate Range Ballistic Missile (IRBM) capability, would soon produce a condition of mutual nuclear deterrence between China and India.[11] Even if the Indian

[9] A joint company, the Pakistani-Libyan Holding Company, set up in late 1978 by the Libyan and Pakistani governments for promoting industrial development in Pakistan, is considered by Indian observers to be the conduit for Libyan financing of Pakistan's nuclear bomb program. The Libyans, in turn, had purchased about 450 tons of unenriched uranium from the government of President Seyni Kountche of Niger, from where more such purchases are likely. See *Hindustan Times*, December 31, 1980, and *Washington Star*, April 14, 1981.

[10] There were indications in 1981 that Pakistan already had the capacity to test a nuclear device. See reports in the *New York Times*, April 28 and 30, 1981, and the *International Herald Tribune*, May 14, 1981. For a more recent report that Pakistan may have a nuclear weapons capability, see the *Washington Post*, February 10, 1984.

[11] Rodney Jones estimates that by the year 2000, India could possibly deploy 20 to 30 IRBMs as a counter-city deterrent capable of reaching China's urban interior, if not the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

deterrence against China does not appear credible, the situation is not fundamentally different from the present one—namely, that India is dependent on Soviet nuclear guarantees against a nuclear China aligned with the United States—a situation that makes the Soviet nuclear guarantee weak. On the other hand, a nuclear India backed by a friendly Soviet Union and a nuclear China backed by a friendly United States would produce a symmetrical relationship between India and China that would be more stable.

In the case of Pakistan, the argument against producing nuclear weapons rests on the greater likelihood of an Indo-Pakistani nuclear war irrespective of rational policies of deterrence pursued by either side. Because of the intensity and emotion surrounding major Indo-Pakistani disputes and the history of three wars between the two countries, nuclear weapons are more likely to be used under conditions of mutual paranoia. In other words, even if a stable mutual deterrent situation could be established in theory (with both India and Pakistan possessing retaliatory strike capability), deterrence could break down in practice under conditions of extreme stress. Instead of pure deterrence, both sides may be tempted to adopt a nuclear war-fighting posture, which may in fact lead to nuclear war. Moreover, if war broke out, these weapons might be directed at civilian targets, especially nuclear power plants near densely populated areas, and could cause massive human suffering.

On the other hand, the argument for a nuclear weapons program in India rests on the assumption that Indian and Pakistani decision makers are no less rational and responsible than Soviet, American, or Chinese decision makers. On the contrary, the development of nuclear weapons by both India and Pakistan might eliminate direct wars between the two sides altogether, both nuclear and conventional.[12] The parallel here would be the absence of direct conventional wars between the United States and the Soviet Union because of the fear of escalation to nuclear levels. Similarly, on the subcontinent, there would be a tendency on the part of both India and Pakistan to avoid conventional wars because of the risks of escalation to nuclear levels. Besides, a nuclear arms race on the subcontinent would probably lead to Indian nuclear dominance and control—not unlike the situation between the Soviet Union and China, where the Soviets dominate the Chinese.

Pacific coast. See Jones, *Small Nuclear Forces*, The Washington Papers/103 (New York: Praeger Special Studies, 1984), 44.

[12] See T. T. Poulose, *Nuclear Proliferation and the Third World* (New Delhi: ABC Publishing House, 1982), 4-12, and Donald L. Clark, "Could We Be Wrong?" *Air University Review* 29 (September-October 1978), 28-37.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Can India's security motivations for acquiring nuclear weapons be curbed? Although the country may be willing to tolerate a nuclear China on its border simply because it has done so for 20 years, it is not likely to tolerate a nuclear Pakistan. The real issue then is whether Pakistan will accept an India with overwhelming conventional military superiority, or will seek nuclear weapons to offset it. The key to weakening the defense incentive in India would be to lessen security fears in Pakistan against a dominant India. This would be of greater importance than assuaging Indian security fears against a dominant China. However, as long as China continues to build its nuclear weapons capability, India is unlikely to pledge not to undertake any further nuclear tests. Such a renunciation would make India give up even its traditional strategy of maintaining the nuclear weapons option. Under these circumstances, current Indian policy must assume that the China-India-Pakistan nuclear chain is difficult to break. Thus, whether the civilian nuclear energy and space programs are viable or not, the continuation of these programs is perceived to be essential from the defense standpoint.

THE DEVELOPMENT MOTIVATION

Programs pursued under the aegis of the Departments of Atomic Energy and Space are not classified as defense-related programs. According to the official Indian position, all such programs are intended for peaceful purposes, even if there are latent military applications. For instance, according to the 1980-1981 official report of the Department of Atomic Energy,

> the atomic energy programme has as its objective [the] generation of electrical power from nuclear energy, and utilisation of radioactive isotopes for bringing about improvements in agriculture, medicine, industry, research and many other areas.[13]

The report of the Department of Space declared in the same year that

> the basic application objectives of the Indian Space Programme can be summed up as Satellite Communications and Resources Survey. All other activities like research and development of satellite and launch vehicle technologies, etc., are designed to contribute towards achieving the above goals.[14]

Even the first atomic test in May 1974 was declared to fall under the category of "peaceful nuclear explosions" with potential long-term applications in dam building, irrigation, and mining.

[13] *Report: 1980-81*, Department of Atomic Energy, Government of India, p. 3.
[14] *Report: 1980-81*, Department of Space, Government of India, p. 8.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

For the most part, India's nuclear and space programs have been planned for civilian benefit, even though their growth has been reinforced by strategic arguments that emphasize the need to maintain the military options available through them. This has been particularly evident in the nuclear energy program, but is also implicit in the space program.

Nuclear energy and energy policy. At the end of the Fifth Five-Year Plan in 1979, India's nuclear reactors generated less than 3 percent of electricity for the urban and manufacturing sectors of the economy, compared to 38 percent generated by hydroelectric plants, 58 percent by coal-fired thermal plants, and one percent by oil-fired plants.[15] (See Table 2.) Oil is utilized mainly in the petrochemical industry and the transportation sector. Planned development of electricity-generating capacity until the year 2000 for the industrial and urban sectors gives relatively little weight to oil-fired power stations. Instead, Indian energy policy will continue to emphasize coal-fired thermal plants and hydroelectric generators, while nuclear energy will be used to make up critical shortfalls that may occur in the future.

The degree to which India will rely on hydro, thermal, and nuclear electricity-generating capacities respectively is based on various economic and technological arguments. Certain problems associated with hydroelectric and coal-fired plants tend to reinforce the arguments for developing nuclear energy. In the case of hydroelectric sources of power, the main constraints lie in the number and location of the major rivers in India, and the long and expensive gestation period between planning and commissioning, which can be as much as ten years.[16] Nevertheless, as the Planning Commission's report on energy policy in 1979 pointed out, hydroelectric power provides a cheap, clean, and self-renewable source of energy, and the river dams from which it is drawn furnish extended irrigation benefits for the region.[17] The Planning Commission's energy report also indicated that only 10 percent of India's hydroelectric generating capacity had been harnessed so far. The report stated that, while coal will remain in the ground for later use if unexploited, re-

[15] According to the report of the Indian Ministry of Energy, the electricity generated in 1981-1982 by coal-fired thermal plants was 63,644 million kilowatt hours (MKWH) or 56% of total generated; by hydro, 45,623 MKWH or 40.6%; and by nuclear power, 2,867 MKWH or 2.5%. From *Report: 1981-82*, Ministry of Energy, Department of Power, Government of India, p. 7. The figures in the text were obtained from Ramana (fn. 3), 224.

[16] See the *Estimates Committee, 1977-78*, Sixth Lok Sabha, 16th Report, Ministry of Energy (New Delhi: Lok Sabha Secretariat, 1978), 53.

[17] *Report of the Working Group on Energy Policy 1979*, Planning Commission, Government of India, 1979, p. iv.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

TABLE 2
INDIA'S NUCLEAR ENERGY PROGRAM

A. COMPARISON OF INSTALLED ELECTRICITY GENERATING CAPACITY (MWe)

	Hydro	*Thermal*	*Nuclear*	*Total*
End of 5th Plan (1979)	11,610 (38%)	16,450 (58%)	1,095 (2%)	29,163

B. 1979 PROJECTIONS OF NUCLEAR POWER GENERATING CAPACITY

1981	1,740 MWe	(unrealized)
1991	8,620 MWe	(likely achievement: 5,000 MWe)
2000	10,000 MWe	(likely achievement: 8,000 MWe)

C. EXISTING NUCLEAR PLANTS
(Capacities installed or being completed in 1983)

Tarapur, Bombay	(TAPP-1 & -2)	400 MWe	(Light Water Reactors)
Kota, Rajasthan	(RAPP-1 & -2)	400 MWe	(Heavy Water Reactors)
Kalpakkam, Madras	(MAPP-1 & -2)	470 MWe	(Heavy Water Reactors)
Narora, U. P.	(NAPP-1 & -2)	470 MWe	(Heavy Water Reactors)
Total Capacity		1,740 MWe	

D. FUTURE PLANNED CAPACITIES
(All the reactors noted here are indigenous)

10 Narora-types to year 1990	235 MWe each (2,350 MWe)
12 New standardized design to the year 2000	500 MWe each (6,000 MWe)

E. HEAVY WATER PLANTS
(Installed capacities but not necessarily operational)

Kota, Rajasthan	110 metric tonnes per year
Baroda, Gujerat	67 metric tonnes per year
Tuticorn, Tamil Nadu	71 metric tonnes per year
Talcher, Andhra Pradesh	62 metric tonnes per year
Nangal, Punjab	14 metric tonnes per year

F. NUCLEAR RESEARCH REACTORS

Apsara, Cirus, Zerlina, Purnima
14 MW Fast Breeder Test Reactor
100 MW Thermal Research Reactor (Dhruva reactor)

G. PLUTONIUM EXTRACTION CAPACITIES

Tarapur	100 kilograms of plutonium per year
Kalpakkam	100 kilograms of plutonium per year
Cirus Research Reactor	40 kilograms of plutonium per year
Dhruva Research Reactor	100 kilograms of plutonium per year

Note: MWe = Megawatts of electricity generated.
Sources: Compiled by the author from the annual and *ad hoc* reports of India's Department of Atomic Energy, Ministry of Energy, Ministry of Information and Broadcasting, and from Indian and American newspaper reports.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

newable hydroelectric potential is being lost annually because of the failure to harness India's rivers.

The continued heavy dependence on coal is due largely to the abundant availability of this resource in India. The total proven reserves of coal have been estimated at about 111.6 billion tonnes, composed of 89.1 billion tonnes of non-coking variety and 22.5 billion tonnes of coking variety.[18] The production of coal in 1981-1982 was estimated at 121 million tonnes, and was expected to rise to 165 million tonnes by the end of the Sixth Five-Year Plan in 1984. While there are indications that coal production may reach 470 million tonnes by the year 2000, a more realistic assessment, according to the Estimates Committee of the Lok Sabha, was about 350 million tonnes.[19] Despite the anticipated increased use of coal in the future, India is expected to have a comfortable supply for over a hundred years.

A major problem, apart from the well-known health and safety hazards of coal mining, arises with geographical location. The bulk of India's coal reserves is found in the three contiguous states of West Bengal, Bihar, and Orissa. This regional concentration of coal deposits raises the need for extensive railway transportation if that fuel is to be used in thermal plants throughout India. Estimates for the year 2000 indicate that between 15 and 20 percent of all railway traffic in India will be involved in hauling coal for power generation.[20]

Heavy reliance on coal-fired plants also raises a serious political risk—namely, that the powerful All-India Railwaymen's Federation could bring virtually all major industries to a halt by embarking on a prolonged strike. The seriousness of this internal threat is best exemplified by the crisis of 1974, when the Federation successfully launched a nationwide strike of nearly two million railway workers.[21] With most power plants stockpiling less than two weeks' coal supplies, power had to be severely rationed at major industrial cities which were dependent on electricity from coal-fired plants. Furthermore, as in the case of the supply of oil from Assam, which was often disrupted by political disturbances in that state between 1979 and 1983, West Bengal, Orissa, and Bihar could embark on political blackmail against the rest of India. All four eastern states would thus have undue political leverage through their ability to control the supply of much of India's energy needs.

[18] *Report: 1981-82* (fn. 15), 19. Quantities are in metric tonnes.

[19] *Estimates Committee* (fn. 16), 53.

[20] Pachauri (fn. 3), 15 and 32; also see *India: 1980*, Ministry of Information and Broadcasting, Government of India, p. 287.

[21] See Robert L. Hargrave, *India: Government and Politics in a Developing Nation* (New York: Harcourt Brace Jovanovich, 1980), 132.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Indian nuclear scientists and engineers have argued that coal-generated electricity is not necessarily cheaper than nuclear-generated electricity. According to Raja Ramana, the apparent higher cost of nuclear power over coal power arises from the nature of cost accounting applied to these two souces of energy.[22] In a nuclear power program, capital investment is needed in associated sectors such as the production of heavy water and the setting up of various projects that would establish control over the nuclear fuel cycle. The entire capital outlay is included in the assessment of the average cost of nuclear-generated electricity. Table 3 shows the comparative costs of power (based on 1977 figures) when similar accounting is applied to coal-generated electricity.[23]

TABLE 3
COMPARATIVE COSTS OF POWER PRODUCTION

Coal-fired		*Nuclear*	
Cost Component	*Investment Rs/KWe*	*Cost Component*	*Investment Rs/KWe*
Power station	4,500	Power station	5,000
Coal mines	750	Heavy water plants	495
Coal transportation	1,000	Uranium exploration	65
—	—	Uranium mining	295
—	—	Fuel fabrication	185
—	—	Fuel reprocessing	135
Total	6,250	Total	6,175

Note: Rs/KWe = Rupees per kilowatt of electricity generated.
Source: Ramana (fn. 3), 235.

The drawbacks of coal-fired and hydroelectric plants notwithstanding, these sources of energy will continue to generate the bulk of electricity in India for several decades to come. Nevertheless, the growth in these means of generating capacity is not expected to keep pace with industrial and urban demand. Projections beyond the year 2000 suggest shortfalls of up to 20 percent. The gap cannot be filled by oil. Almost all future oil procurements are expected to be absorbed by the petrochemical, household, and transportation sectors of the economy. Moreover, the cost of imported oil is high, and domestic oil reserves are too limited to meet industrial demand. Consequently, Indian nuclear scientists and

[22] See Ramana (fn. 3).

[23] *Ibid.*, 235. Another official discussion demonstrating the comparative advantages of nuclear power over coal-generated power may be seen in the brief section, "Economics of Nuclear Power," in *Performance Budget of the Department of Atomic Energy, 1980-81*, Department of Atomic Energy, Government of India, pp. 3-5.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

economic planners believe that the projected gap between industrial demand and electricity-generating capacity can only be filled by nuclear energy.[24] Despite the present relatively small consumption, nuclear energy is therefore expected to play a critical role in India's development strategy.

In 1984, India had nuclear power stations at four locations—in the states of Maharashtra (Tarapur, Bombay), Rajasthan (Kotah), Tamil Nadu (Kalpakkam, Madras), and Uttar Pradesh (Narora). (See Table 2.) The Tarapur station has a capacity of 400 Megawatts of electricity (MWe), Rajasthan has a capacity of 400 MWe, and Kalpakkam and Narora have a capacity of 470 MWe each. When all these units are fully commissioned by the mid-1980s, India will have a total nuclear electricity-generating capacity of 1740 MWe. In 1981, the total installed nuclear capacity was 860 MWe.[25]

Further, there are plans to have ten Narora-type 235 MWe reactors in operation by the early 1990s, with twelve additional 500 MWe reactors on line by the year 2000. If these goals are attained, there will be 10,000 MWe of nuclear electric power in the power grids of India by the turn of the century. (According to assessments by the 1977-78 Estimates Committee of the Indian parliament and the Indian Planning Commission's 1979 Report of the Working Group on Energy Policy, however, major shortfalls are likely; actual installed capacity may be closer to 5,000 to 8,000 MWe.)[26] Development is expected to move from dependence on natural uranium-fueled heavy water reactors, to the use of fast-breeder reactors, and finally to the employment of primarily thorium-fueled fast-breeder reactors. Because India has vast quantities of thorium, the third stage of development is expected to make the nuclear energy program cost-efficient. Needless to say, all of these development rationalizations and programs would substantially increase India's nuclear weapons capability.[27]

[24] Octave J. Du Temple, "Nuclear Power in India: Responding to a Crying Need," *Nuclear News* 24 (February 1981), 64-66. Also see the views of R. Ramana (fn. 3), and M. T. Srinivasan, "Where Should All the Energy Come From?" *Times of India*, December 7, 1980. Ramana, as noted earlier, is Director of the Bhabha Atomic Research Center and Secretary to India's Department of Atomic Energy; Srinivasan is the Director of the power projects engineering division of the Department of Atomic Energy.

[25] *Nuclear News* (February 1981); *Estimates Committee, 1977-78* (fn. 16), 216-41.

[26] Assessments of nuclear electricity-generating capacity in the future vary. According to government forecasts, India will achieve installed capacity of 8,000 MWe by the year 1991, and 10,000 MWe by 2001. See especially *Report: 1980-81* (fn. 13), 3. The Estimates Committee, however, forecasts the attainment of only 6,000 MWe by 1991, while the Energy Policy report of the Planning Commission predicts only 5,000 MWe by 2001. Figures from *Estimates Committee, 1977-78* (fn. 16), 222, and *Report of the Working Group on Energy Policy, 1979* (fn. 17), 65.

[27] Apart from the nuclear energy program, research and development at the Bhabha

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Civilian uses of the space program. Parallel strides have been made in India's space program. The Indian Space Research Organization has one of the country's largest and most successful groups of scientists and technocrats. For the decade 1980-1990, the government tentatively allotted Rs. 800 crores (about $1 billion at 1980 exchange rates) for the space program, an amount that is likely to be revised upward substantially in the years to come. As many as 23 satellites, including three major ones with payloads in the 450-600 kilogram range, are expected to be launched during the next ten years.[28] (See Table 4.) These satellites are part of the development program in telecommunications, meteorology, and resource survey. In addition, the development of space-launch vehicles is intended to reduce India's current dependence on Soviet, American, and European launch vehicles for locating these satellites in space.

The most important of the satellite development programs is the first-generation Indian National Satellite System (INSAT-1). This is a multipurpose system for domestic telecommunications and metereology that would allow nationwide direct television and radio broadcasting, network broadcasting, and weather forecasting.[29] The Department of Space has the responsibility for the establishment and operation of the INSAT-1 space segment; the Indian Posts & Telegraphs Department (under the Ministry of Communications) manages and utilizes the telecommunications ground segment of the operations; and the Indian Meteorological Department (under the Ministry of Tourism and Civil Aviation) manages and utilizes the meteorological ground segment. The responsibility for radio and television utilization rests with the Ministry of Information and Broadcasting.

India's other satellite series, Bhaskara-1 and Bhaskara-2 (also referred to as Satellite for Earth Observation SEO-1 and SEO-2), have been the means for conducting detailed studies of atmospheric processes relating

Atomic Research Center (BARC) promotes the development and application of radioactive isotopes and radiation in various fields such as medicine, agriculture, and industry. BARC's activities encompass the development of over 350 radioactive products that are supplied to some 500 institutions in India and abroad. These products range from radio isotopes for industrial radiography to those used in the diagnosis and treatment of diseases. During the year 1980-1981, BARC supplied over 44,000 consignments of radio isotopes within the country, and exported agrochemicals to Brazil, Indonesia, Sri Lanka, and Zambia. BARC also runs a plant for radiation sterilization of medical products; its services are offered to hospitals and to the manufacturers of medical products. Finally, BARC has set up a seismic station near Bangalore for the detection and identification of earthquakes and underground nuclear explosions, and a high-altitude research laboratory at Gulmarg. *Report: 1980-81* (fn. 13), 5.

[28] See *Hindustan Times*, December 15 and 30, 1980, and *Times of India*, December 15, 1980.

[29] From *Report: 1980-81* (fn. 14), 8 and 11-15.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

TABLE 4

SUMMARY OF SATELLITES AND LAUNCH VEHICLES

Satellite	*Date of Launch*	*Launch Vehicle*
Aryabhata (360 kg.) Indian design and make	April 1975	Soviet rocket carrier
Bhaskara-I (444 kg.) Indian design and make	June 1979	Soviet Intercosmos spacecraft
Rohini-1 (35 kg.) Indian design and make	July 1980	Indian-made rocket SLV-3-E-02
Rohini D-1 (41 kg.) Indian design and make	May 1981	Indian-made rocket SLV-3-D-01
APPLE (670 kg.) Indian design and make	June 1981	European Space Agency's Ariane rocket
Bhaskara-II (447 kg.) Indian design and make	November 1981	Soviet Intercosmos spacecraft
INSAT-IA (1,050 kg.) Indian design; U.S. make	April 1982	United States Delta rocket carrier
INSAT-IB (1,193 kg.) Indian design; U.S. make	August 1983	United States space shuttle Challenger

Planned Future Satellites and Launch Vehicles (1984-1990)
(All projects are indigenous)

SATELLITES:
- Indian Remote Satellite (IRS-1): approximate weight, 600 kg.
- Stretched Rohini Satellite Series (SROSS)
- INSAT-II series and Proto-INSAT

SPACE-LAUNCH VEHICLES:
- Augmented Satellite Launch Vehicle (ASLV): payload, 150 kg.; altitude, 400 km.
- Polar Satellite Launch Vehicle (PSLV): payload, 600 kg.; altitude, 500-1000 km.
- Vikas rocket: payload, 600 kg.; altitude 900 km.

Source: Compiled by the author from the annual *Reports* of the Department of Space, Government of India.

to monsoons, cyclones, and other tropical weather disturbances. Estimates have been made of moisture content in the atmosphere and the rate of rainfall over oceans; the mapping of flooded and nonflooded areas during monsoons has been used for flood control and relief efforts. Three additional experimental Indian-made satellites have been launched. The Rohini Satellite (RS-1) and the Rohini Satellite for Development (RS-D-1) were intended to support the Indian rocket-launch

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

vehicle program by conducting upper atmospheric research and space experiments. Both were launched by the indigenous and experimental Satellite Launch Vehicle (SLV-3-E-02) and the developmental Satellite Launch Vehicle (SLV-3-D-01). The third, the Ariane Passenger Payload Experiment (APPLE), was developed in India and launched by Ariane, the European space agency in France. The project provided the opportunity to develop Indian competence in building a three-axis stabilized geostationary telecommunications satellite. With the successful completion of the experimental phase of satellite development for remote sensing applications, the space program has started to develop a series of semi-operational Indian Remote Sensing satellites (IRS-1), which are to be completed and launched in the mid-1980s.

The Defense-Development Relationship

The above analysis raises two basic questions. First, are the Indian nuclear and space programs driven primarily by defense or by development objectives? Second, are these programs cost-efficient? The official assertion has been that they are part of the overall development effort, and that they carry significant civilian benefits. External critics have alleged that the allocation of funds to these programs is evidence of lopsided priorities in development planning, and that the programs are intended primarily to maintain India's nuclear weapons option and missile delivery capabilities.

Allegations of military motives behind India's nuclear energy development rest mainly on the comparative commercial viability of nuclear power as compared to coal-fired thermal and hydroelectric power available. Recent cost estimates in the United States, West Germany, Japan, France, and other Western states suggest that the early optimism about obtaining nuclear energy from light-water and heavy-water reactors, and subsequently from fast-breeder reactors, appears to have been misplaced. The scarcity and high cost of uranium resources, the high capital cost and growing technical complexities in nuclear plant design and operation, as well as fears of environmental hazards, are said to have greatly reduced the prospects of commercial nuclear energy.

The Indian answer to these assertions has been that much of the American pessimism regarding the future of nuclear energy is caused by fears of nuclear proliferation. It was no accident that decisions to slow down the nuclear power program and to forgo for the time being the development of fast-breeder reactors in the United States were adopted by the Carter administration, which was committed to a strict

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

policy of curbing nuclear proliferation abroad. A demonstration in the United States of the long-term commercial viability of nuclear power would probably prompt several Third World countries to embark on nuclear power programs. Ultimate control of the nuclear fuel cycle by these countries through the acquisition of enrichment or reprocessing plants would enable them to gain a nuclear weapons capability. American domestic energy policy may therefore be partially dictated by the need to curb nuclear weapons proliferation abroad.

From the defense standpoint, a major argument suggesting the peaceful intent behind Indian nuclear energy development is that a nuclear weapons program would be much less cost-effective than the present conventional defense program. De Gaulle's idea that a nuclear weapons program could conceivably reduce the overall cost of France's defense effort by reducing the need for conventional forces does not appear to be relevant in the Indian case. In India, one of the major economic criteria of any defense program is whether it is labor-intensive or capital-intensive. In a country with an abundance of cheap labor, proposed defense programs that are capital-intensive require a convincing strategic justification. For this reason, labor-intensive army programs have generally consumed between 65 and 70 percent of the annual funds allocated to India's defense.[30] By comparison, the more capital-intensive air force and navy programs have received an average of about 20 and 10 percent, respectively, of the annual defense allocations. This type of defense planning has produced corresponding programs in Pakistan, thus providing a self-perpetuating strategic justification for emphasizing conventional army programs.

In light of these economic and strategic rationales, a nuclear weapons program would appear unattractive and self-defeating in India. It would employ only a small scientific community, which in 1981-1982 amounted to 19,158 scientific and technical personnel and 12,498 administrative and auxiliary staff in the Department of Atomic Energy, and 7,136 and 4,172 in the Department of Space.[31] Moreover, such a program could trigger nuclear responses in Pakistan and China, which would result in a costly nuclear arms race in South Asia—leading to less security at a higher price.

Unlike the nuclear energy program whose cost and performance can be assessed against alternative energy sources such as coal, oil, and

[30] For the rationales underlying the distribution of the Indian defense budget, see Raju G. C. Thomas, "The Armed Services and the Indian Defense Budget, *Asian Survey* (March 1980), 280-97.

[31] From *Report: 1980-81* (fn. 13), 5; and *Report: 1980-81* (fn. 14), 37.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

hydroelectric power, the space program does not lend itself to comparisons. It would also be difficult to propose "alternative" space programs that would not carry military implications. Again, there are no technological "fixes" between civilian and military programs. Space programs are therefore simply deemed essential for India's development effort and seemingly justifiable within reasonable cost. There can be no substitution. Self-reliance in satellite and satellite-launch technology for telecommunications and related civilian purposes is merely part of the overall development strategy. The major constraining factor would appear to be the level of technological know-how available in the country.

One major difference between the development and defense sectors is the higher standard of production and efficiency demanded by the latter. The quality of equipment produced in India for the military must meet the standards of the equipment that India's adversaries can obtain from the advanced industrialized countries. This objective has been achieved generally in small arms and ammunition and light weapon systems such as tanks, armored personnel carriers, and artillery, but there is a considerable measure of dependence on external sources in the procurement of more sophisticated conventional weapon systems, such as combat aircraft, destroyers, submarines, and the like. India's modest defense and civilian research-and-development activities cannot keep pace with the technological growth of the advanced industrialized countries. Fortunately, India has thus far been able to obtain external technological assistance for the production of weapons at home, and to purchase weapons from abroad.

Because the level of scientific and technological capabilities needed in the nuclear and space programs—whether civilian or military—is high, these programs have been dependent on a large measure of external technological cooperation. Two basic and related differences exist, however, between conventional defense or defense-related civilian programs and the nuclear and space programs. First, the military purpose underlying conventional defense procurement has not curtailed technological and military assistance from abroad. In the case of nuclear and space programs, even suspicion that these might be intended for military purposes could terminate all foreign assistance. Second, because there is constant fear that foreign technical assistance may be suddenly cut off if there is a diversion from civilian to military purposes, the growth of indigenous technological capability in the nuclear and space programs has been much more rapid than in the conventional defense programs. The scientific and engineering community in the Indian nuclear and space programs consists of a highly elite group whose standards compare

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

favorably with their counterparts in the advanced industrialized countries.

In the ultimate analysis, India's intentions may be judged simply from the level of technological capabilities, whether for development or defense purposes. Does the technology achieved in the civilian nuclear and space programs provide India with credible nuclear weapons and delivery systems? The answer to this question is yes—if not now, then at least in the near future.

At present the Tarapur and Kalpakkam nuclear reactors each carry reprocessing capacities of approximately 100 to 135 metric tonnes of spent uranium fuel, from which each can extract about 100 kilograms of weapons-grade plutonium.[32] The fissile plutonium-239 could also be extracted from the 40 MW Cirus research reactor built earlier with Canadian assistance. This reactor provided the plutonium for the first Indian atomic test in 1974. The 100 MW thermal research reactor, the Dhruva reactor built by Indian engineers, will provide the capacity to generate another 100 kilograms of plutonium a year. The Dhruva reactor by itself not only would provide India with enough plutonium to build about 12 bombs a year, but would also reduce the time needed to fabricate bombs from about two years (as in the first atomic test) to a matter of weeks.[33] In addition, the commissioning of fast-breeder reactors on a commercial scale in the 1990s would enable India to stockpile large numbers of nuclear warheads.

The dual development and defense purpose of India's nuclear program may be seen in the official announcement in August 1985 indicating the scheduled opening of the Dhruva reactor later in the fall. While Indian officials pointed out that the reactor was a research reactor that would help produce radioactive isotopes for use in industry, agriculture, and medicine, they simultaneously warned Pakistan not to embark on a nuclear weapons program because of the new Indian capability.[34] It is important to note that, unlike reactors built with Canadian and American assistance from which India could extract weapons-grade materials, the Dhruva reactor is entirely Indian-made and not subject to international inspection.

As to delivery systems, India can drop bombs on Pakistan with its

[32] See Leonard S. Spector, *Nuclear Proliferation Today* (New York: Vintage Books, 1984), 67. See also a report by *Los Angeles Times* correspondent Tyler Marshall, reproduced in the *Boston Globe*, March 1981, according to which the Tarapur and Kalpakkam reactors could generate about 880 lbs. of weapons-grade plutonium a year.

[33] *Wall Street Journal*, November 26, 1984.

[34] *New York Times*, August 11, 1985. During the construction stage, the Dhruva reactor was referred to as the R-5 facility.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

newly acquired Anglo-French Jaguar aircraft—as can Pakistan on India with the French Mirage-III and more recently acquired American F-16 aircraft. This delivery capability will be increased when India acquires Soviet MiG-29s and French Mirage-2000s. The space program carries strategic relevance mainly with respect to China and the rest of the world. At present, the Indian-made SLV-3 rocket can be launched on a ballistic trajectory with appropriate boosters in the rocket's three stages so as to achieve an IRBM capability for carrying a small warhead. The development of the ASLV and PSLV rockets will further increase the ballistic range and payload. And, with the projected development of the SPSLV rocket by the mid-to-late 1990s, India will have an ICBM capability for carrying multiple warheads, with strategic implications for the superpowers as well.[35]

Conclusion

India's civilian nuclear energy and space programs, whether intended or not, provide the country with nuclear weapons and strategic nuclear delivery vehicles. In this respect, the nuclear and space programs are not different from several other developmental projects that have military implications. Development in the aeronautical, shipbuilding, automotive, electronics, metallurgical, mechanical, and civil engineering industries automatically carries indirect military benefits. The central point, therefore, is not whether India's motives are developmental *or* strategic. The rationale for India's nuclear and space programs is provided by the future combination of energy, telecommunications, and other development requirements in the civilian sector, and strategic necessities in the defense sector. The development sector provides the technological capability; the defense sector can utilize the latter if it demonstrates the need.

Real or potential nuclear threats from China and Pakistan, and the general lack of credibility of external nuclear guarantees, require that India maintain its nuclear weapons and strategic delivery capability options provided by civilian nuclear energy and space programs. This long-term defense imperative justifies the continuation of nuclear and space programs no matter what the current commercial viability of these programs. Finally, through circular reasoning, India could embark on nuclear weapons and missile programs on the grounds that they would involve only an *incremental* cost over civilian nuclear and space programs.

[35] See Anita Bhatia, "India's Space Program: Cause for Concern?" *Asian Survey* 25 (October 1985), 1013-30, and Jones (fn. 11).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Under such conditions, the nuclear weapons alternative would appear to be cost-effective when compared to current conventional military programs. Thus, while neither the civilian nor the military programs may appear cost-effective when considered separately, together they provide a mutually reinforcing defense-development justification that continues to propel India's technological capabilities in these areas at a rapid pace.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Review Articles

THE NEWLY INDUSTRIALIZING COUNTRIES IN THE INTERNATIONAL SYSTEM

By STEPHAN HAGGARD*

Bela Balassa, *The Newly Industrializing Countries in the World Economy*. New York: Pergamon Press, 1981, 461 pp.

Peter Evans, *Dependent Development: The Alliance of Multinational, State, and Local Capital in Brazil*. Princeton: Princeton University Press, 1978, 362 pp.

Gary Gereffi, *The Pharmaceutical Industry and Dependency in the Third World*. Princeton: Princeton University Press, 1983, 291 pp.

Leroy Jones and Il Sakong, *Government, Business, and Entrepreneurship in Economic Development: The Korean Case*. Cambridge: Harvard University Press, 1980, 434 pp.

Louis Turner, Neil McMullen, and others, *The Newly Industrializing Countries: Trade and Adjustment*. London: George Allen & Unwin, 1982, 290 pp.

David B. Yoffie, *Power and Protectionism: Strategies of the Newly Industrializing Countries*. New York: Columbia University Press, 1983, 282 pp.

I. Introduction

THE newly industrializing countries (NICs) occupy center stage in a number of controversies in comparative politics, development economics, and international political economy.[1] The East Asian "Gang

* I would like to thank the members of the University of Chicago's Seminar on Interdependent Political Economy, the Social Science Research Council's Working Group on East Asian Industrialization, and the participants in the Workshop on the Political Economy of Development in Latin America and East Asia sponsored by the Center for U.S.-Mexican Studies, University of California, San Diego, Dec. 13-15, 1984. Special thanks to Jeff Frieden, Glen Fong, Barbara Geddes, John Ikenberry, Charles Lipson, Chung-in Moon, Chi Schive, Robert Wade, and Eliza Willis.

[1] There is no clear, unambiguous definition of the "newly industrializing countries." Different writers have used different indicators, including level of industrialization, rates of growth and, most frequently, level or rate of growth of manufactured exports. For aggregate studies stressing the effect of the NICs on world trade, investment, and production, see Michael Beenstock, *The World Economy in Transition* (London: George Allen & Unwin, 1983); William R. Cline, *Exports of Manufactures from Developing Countries* (Washington, DC: The Brookings Institution, 1984); Donald Keesing, *World Trade and Output of Manufactures: Structural Trends and Developing Countries' Exports* (Washington, DC: World Bank Staff Working Paper No. 316, 1979); Organization for Economic Cooperation and Development, *The Impact of the Newly Industrializing Countries on Production and Trade in Manufactures* (Paris: OECD, 1979).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of Four"—Hong Kong, Taiwan, Korea, and Singapore—are seen to vindicate the liberal prescription for market-oriented policies and close participation in the world economy. Their success has elevated export-led growth into a new development orthodoxy.[2] Brazil and Mexico, on the other hand, are perceived as exemplifying the costs of inward-looking, import-substituting industrialization (ISI). Once growth miracles in their own right, both are now favorite test cases of policy incoherence, economic distortion, inequality, and dependence. There have been few crossregional studies of the NICs,[3] however; nor has there been much effort to analyze the domestic political bases of these alternative paths to industrialization. This review attempts such a comparison by addressing two sets of questions.

First, what domestic political factors account for the different development trajectories of the East Asian and Latin American NICs? Liberal economists, including Bela Balassa (*The Newly Industrializing Countries in the World Economy*), view East Asia's success as the result of "correct" policy choices, implying that export-led growth can be replicated widely. In fact, these policy reforms were facilitated by favorable, and probably unique, international and domestic conditions. Differences in the social organization of the rural sector, the timing of the political mobilization of labor, and the interests and strength of domestic entrepreneurs help to explain the divergence between the Latin American and East Asian development paths.

Equally important in explaining specific policy reforms is the political independence of state elites from societal actors. State autonomy is crucial in accounting for turning points, such as the shift to export-led growth, when incentives are restructured and a new growth coalition is forged. Without autonomy or "insulation" from the demands of particular social groups, the pursuit of policies such as land reform, lowering of real wages, raising of interest rates, devaluation, or lifting of subsidies or protection would be impossible. As these policies suggest, however, policy reform may demand autonomy from *dominant* as well as subordinate social groups. Indeed, dominant social groups can present more daunting

[2] See, for example, the World Bank's *World Development Report 1983* (New York: Oxford University Press for the World Bank, 1983), and the critical discussion of "associationist" strategies in John Gerard Ruggie, ed., *The Antinomies of Interdependence* (New York: Columbia University Press, 1983).

[3] See Fernando Fajnzylber, "Some Reflections on Southeast Asian Export Industrialization," *CEPAL Review* (No. 15, 1981), 111-32; Gustav Ranis, "Challenges and Opportunities Posed by Asia's Superexporters: Implications for Manufactured Exports from Latin America," in Werner Baer and Malcolm Gillis, eds., *Export Diversification and the New Protectionism* (Champaign, IL: Bureau of Economic and Business Research and College of Commerce and Business Administration, University of Illinois, 1981).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

barriers to economic transformation because of their ability to organize effectively.[4]

Political autonomy alone does not suggest the *substantive direction* that new policy initiatives will take. For an explanation, one must look to the economic ideologies prevailing among political elites and their technocratic allies. In East Asia, these range from the radical laissez faire of the British colonial administration in Hong Kong to the more *dirigist*, yet outward-oriented, approach of planners in Singapore, Taiwan, and Korea. In Mexico and Brazil, by contrast, import substitution and the structuralist critique of neoclassical economics has had a powerful influence on economists both in and out of government.

A comparative political analysis of development strategies clarifies a second debate concerning the importance of external constraints and "dependency." The industrialization of the Latin American NICs has generated a new wave of revisionist dependency writing (including *Dependent Development* by Peter Evans and *The Pharmaceutical Industry and Dependency in the Third World* by Gary Gereffi), that gives greater weight to domestic political forces in explaining "dependent development."[5] Nonetheless, the dependency approach still confuses cause and effect by stressing the explanatory primacy of the external sector. The nature of a country's links to the international economy, including the level and sectoral composition of foreign direct investment, depend on

[4] For theoretical discussions of the problem of policy-change from a public-choice perspective, see Mancur Olson, *The Rise and Decline of Nations* (New Haven: Yale University Press, 1982), and Robert Bates, *Markets and States in Tropical Africa* (Berkeley: University of California Press, 1981). For Marxist analyses stressing societal constraint on state action, see Nora Hamilton, *The Limits of State Autonomy: Post-Revolutionary Mexico* (Princeton: Princeton University Press, 1982); Fred Block, "The Ruling Class Does Not Rule: Notes on the Marxist Theory of the State," *Socialist Revolution* 7 (May-June 1977), 6-28. For an analysis of state autonomy from different perspectives, see Eric Nordlinger, *On the Autonomy of the Democratic State* (Cambridge: Harvard University Press, 1982); Theda Skocpol, *States and Social Revolutions* (Cambridge: Cambridge University Press, 1979), chap. 1; Gunnar Myrdal's discussion of the "soft" state, in *The Challenge of World Poverty* (New York: Vintage Books, 1970), chap. 7; Ellen Kay Trimberger, *Revolution from Above: Military Bureaucrats and Development in Japan, Turkey, Egypt, and Peru* (New Brunswick, NJ: Transaction Books, 1978); Bob Jessop's review of Marxist theories, *The Capitalist State* (New York: New York University Press, 1982); and Peter Evans, Dietrich Rueschemeyer, and Theda Skocpol, eds., *Bringing the State Back In* (New York: Cambridge University Press, 1985).

[5] In addition to the books by Evans and Gereffi, see Douglas Bennett and Kenneth E. Sharpe, "Transnational Corporations and the Political Economy of Export Promotion: The Case of the Mexican Automobile Industry," *International Organization* 33 (Spring 1979), 177-201; Richard Newfarmer, *Transnational Conglomerates and the Economics of Dependent Development* (Greenwich, CT: JAI Press, 1980); Richard Newfarmer, ed., *Profits, Progress and Poverty: Case Studies of International Industries in Latin America* (Notre Dame, IN: University of Notre Dame Press, 1985). For two recent critiques of this literature, see Gary Becker, *The New Bourgeoisie and the Limits of Dependency* (Princeton: Princeton University Press, 1983), and Joseph M. Grieco, *Between Dependency and Autonomy: India's Experience with the International Computer Industry* (Berkeley: University of California Press, 1984).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the choice of particular development strategies. In the Latin American NICs, import-substitution policies have been responsible for persistent difficulties with the balance of payments, large inflows of foreign direct investment, extensive commercial borrowing, and economic and social distortions frequently attributed to "dependency." East Asia's export-led growth entailed very different external economic ties, including an extremely high dependence on trade and, with the exception of Singapore, a comparatively low level of foreign direct investment.

States respond differently to the constraints associated with economic interdependence. Dependency is too frequently portrayed as a determinant international structure rather than as a set of shifting constraints within which states seek to maneuver. The balance of power within the "triple alliance" of state, local, and foreign firms differs even between Mexico and Brazil, and these Latin American cases contrast sharply with the East Asian pattern. The main adjustment challenge that faced the East Asian NICs during the seventies, as David Yoffie shows in *Power and Protectionism*, lay in navigating an increasingly politicized international trading system. Hong Kong sought to do this by a continuation of laissez-faire policies, while Korea attempted an aggressive push into heavy industries. The concept of dependency diverts attention from the theoretical problem of explaining *divergent* responses to *similar* external constraints—a problem that can only be solved by theories of domestic politics and policy making.

II. Strategies, Crises, and Sequences in National Development

Variations in the social organization of agriculture, the timing of labor mobilization, and the interests and strength of domestic entrepreneurs provide the permissive social conditions underlying the divergent development trajectories of Brazil, Mexico, Korea, and Taiwan.[6] Ulti-

[6] For reviews of the economic growth process, see, for Korea, Paul W. Kuznets, *Economic Growth and Structure in the Republic of Korea* (New Haven: Yale University Press, 1977); and Edward Mason and others, *The Economic and Social Modernization of Korea* (Cambridge: Harvard University Press, 1980), which summarizes the multi-volume "Studies in the Modernization of the Republic of Korea." For Taiwan, see Ching-yuan Lin, *Industrialization in Taiwan, 1946-1972* (New York: Praeger, 1972); Samuel Ho, *Economic Development of Taiwan, 1860-1970* (New Haven: Yale University Press, 1977); and Walter Galenson, ed., *Economic Growth and Structural Change in Taiwan* (Ithaca, NY: Cornell University Press, 1979). For Mexico, see Clark W. Reynolds, *The Mexican Economy: Twentieth Century Structure and Growth* (New Haven: Yale University Press, 1970); and Rene Villareal, "The Policy of Import-Substituting Industrialization, 1929-1975" in José Luis Reyna and Richard Weinert, eds., *Authoritarianism in Mexico* (Philadelphia: Institute for the Study of Human Issues, 1977). For Brazil, see Albert Fishlow, "Brazilian Development in Long-Term Perspective," *American Economic Review* 70 (May 1980), 102-08; Economic Commission for Latin America, "Growth and Decline of Import Substitution in Brazil," *Economic Bulletin for Latin America*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

mately, these different sequences must be explained by the countries' choices of different *development strategies*—the broad policy packages aimed at steering industrialization into a particular sectoral and ownership mix. Shifts in these strategies and the emergence of new forms of state intervention have followed developmental crises that include the appearance of domestic bottlenecks as well as international constraints.

Mexico, Brazil, Korea, and Taiwan began their contacts with the international economy as exporters of primary products, a "strategy" initially dictated by external political control. Brazil passed through cycles of boom and bust based on the export of sugar, gold, and finally coffee. Mexico was a major mining center in the Spanish empire, and later became an important site for both European and American foreign direct investment in extractive industries. In both cases, foreign borrowing played an important role in the development of railroads and urban infrastructure in the 19th century.[7] Korea and Taiwan, by contrast, were not incorporated into a regional economy until the turn of the century, when Japan made them colonial sources of agricultural products.[8]

Significant industrialization took place during the interwar period in Korea under Japanese auspices; in Mexico and Brazil, the origins of indigenous manufacturing date to the late 19th century. Brazilian import substitution was given a push by macroeconomic policies designed to counteract the effects of the Great Depression on coffee exports. These early industrial developments suggest that the break between a primary product phase of growth—what Evans calls "classic dependency" (chap. 2)—and an import-substituting phase should not be overdrawn. Nonetheless, broad turning points in policy can be identified with crises in

9 (March 1964), 1-59; Annibal V. Villela and Wilson Suzigan, *Government Policy and the Economic Growth of Brazil 1889-1945* (Rio de Janeiro: Instituto de Planejamento Economico e Social and Instituto de Pesquisas-INPES, 1977); Werner Baer, *The Brazilian Economy: Growth and Development*, 2d ed. (New York: Praeger, 1983). For a useful comparison of Mexico and Brazil, see Douglas Graham, "Mexican and Brazilian Economic Development: Legacies, Patterns and Performance," in Sylvia Ann Hewlett and Richard Weinert, eds., *Brazil and Mexico: Patterns in Late Development* (Philadelphia: Institute for the Study of Human Issues, 1982).

[7] For a recent debate on how "dependent" 19th-century Latin American growth was, see D.C.M. Platt, "Dependency in Nineteenth-Century Latin America: An Historian Objects," and Stanley J. Stein and Barbara Stein, "The Anatomy of 'Autonomy,'" in *Latin American Research Review* 15 (No. 1, 1980), 113-30 and 130-46, respectively; and Stein and Stein, *The Colonial Heritage of Latin America: Essays on Economic Dependence in Perspective* (New York: Oxford University Press, 1970).

[8] Bruce Cumings, "The Origins and Development of the Northeast Asian Political Economy: Industrial Sectors, Product Cycles and Political Consequences," *International Organization* 38 (Winter 1984), 1-40, and Cumings, *The Origins of the Korean War* (Princeton: Princeton University Press, 1981), chaps. 1 and 2; Ramon Myers and Mark Peattie, eds., *The Japanese Colonial Empire: 1895-1945* (Princeton: Princeton University Press, 1984).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the primary export model that made industrialization a political goal of national leaders.

For Korea and Taiwan, World War II severed ties with previous export markets. Reconstruction and balance-of-payments crises dictated a protectionist course. In *Government, Business, and Entrepreneurship in Economic Development*, Jones and Sakong argue that protectionism, licensing, and privileged access to government-controlled markets and U.S. aid inhibited economic growth in the fifties (pp. 274-78). Large aid inflows and discretionary economic policies buttressed the *political* position of both states, however. State controls allowed the promotion of politically favored Korean firms, contributing to the expansion of a new entrepreneurial class with close links to Syngman Rhee's dominant Liberal Party. In Taiwan, mainlander Chinese monopolized political power through the Kuomintang (KMT), but protectionist policies also encouraged the development of indigenous Taiwanese business.[9]

The role of the rural sector during the phase of import substitution in Korea and Taiwan is in marked contrast to that of the Latin American cases. In Taiwan, indigenous landlords were expropriated by the KMT, which developed an interest in land reform after the debacle on the mainland.[10] In Korea, redistribution of land similarly reduced the power of landowners despite American backing for conservative political forces. Land reforms had four developmental consequences, all of which enhanced the freedom of maneuver of state elites. First, reforms preempted a key issue around which the left might have developed a base, simultaneously creating rural support for both regimes. Second, land reform contributed to making East Asian development relatively egalitarian.[11] Third, the improved productivity associated with the reforms created a surplus that flowed, and was directed, into industry. Finally, the reforms eliminated potentially anti-industrial rural elites.

In Mexico and Brazil, the twin international shocks of depression and war provided a "natural" stimulus to domestic industry. As imports contracted, manufacturing of light consumer goods became a significant

[9] See Allan Cole, "The Political Roles of Taiwanese Entrepreneurs," *Asian Survey* 7 (September 1967), 645-54.

[10] Hsin-Huang Michael Hsiao, *Government Agricultural Strategies in Taiwan and South Korea* (Taipei: Academica Sinica, 1981).

[11] On the general relationship between land ownership and income distribution, see Arne Bigsten, *Income Distribution and Development: Theory, Evidence and Policy* (London: Heineman, 1983), 86-88. See also Shirley Kuo, *The Taiwan Economy in Transition* (Boulder, CO: Westview Press, 1983), chap. 3, and Sung Hwan Ban, Pal Yong Moon, and Dwight Perkins, *Rural Development* (Cambridge: Harvard University Press, 1980), chap. 11. For a more critical perspective on land reform in Taiwan, see Keith Griffin, "An Assessment of Development in Taiwan," *World Development* 1 (June 1973), 31-42.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

source of growth. The *political* transition to a national strategy favoring industry was different in the two countries, although both converged on self-conscious ISI policies.

Mexico's social revolution provided a legitimating basis for efforts at further redistribution of land and for greater attention to labor and the rural sector. Cardenas's attempt to realize these goals in the 1930s provides an instructive example of the significance of state power and autonomy in effecting social and economic transformation. In Taiwan, the strong internal organization and political cohesiveness of the KMT, the productive assets abandoned by the departing Japanese, American support, and the weakly developed nature of local political and social forces gave the KMT the latitude to reshape the countryside dramatically, contributing to a broader development effort. Nora Hamilton's revisionist interpretation of the Cardenas period outlines an exact opposite set of conditions limiting the ability of the "progressive alliance" to transform Mexican society.[12] The ruling coalition was internally divided, the United States was hostile, and the resources on which the government depended remained under the control of foreign firms, large landowners, and the emergent domestic bourgeoisie. These "limits of state autonomy" exacted a peace between the ruling Institutional Revolutionary Party (PRI), large landholders, and domestic entrepreneurs, clearing the way for a capitalist growth strategy based on import substitution. Nonetheless, the corporatist organization of labor and the peasantry endured, providing the PRI both with political support from, and control over, the popular sectors.

In Brazil, the revolution of 1930 and the centralizing *Estado Novo* that emerged under Vargas after 1937 marked an increase in the political independence of the central government and a new level of intervention in support of the manufacturing sector.[13] While Vargas developed corporative forms of labor organization, the shift to support of industry involved no frontal attack on rural elites—and consequently a shallower penetration of the rural sector by the state. These differences from Mexico had consequences for patterns of *political* development,[14] but

[12] Hamilton (fn. 4). See also Ariel José Contreras, *Mexico 1940: Industrializacion y crisis política* (Mexico: Siglo XXI, 1977); Stanley Mosk, *Industrial Revolution in Mexico* (Berkeley: University of California Press, 1950), chaps. 2-5; and the pioneering work of Arnaldo Córdova, *La Política de Masas del Cardenismo* (Mexico, DF: Ediciones Era, 1974).

[13] See Warren Dean, *The Industrialization of São Paulo 1880-1945* (Austin: University of Texas Press, 1969); Peter Flynn, *Brazil: A Political Analysis* (Boulder, CO: Westview Press, 1978), chaps. 4 and 5; John D. Wirth, *The Politics of Brazilian Development 1930-1954* (Stanford, CA: Stanford University Press, 1970); Celso Furtado, *The Economic Growth of Brazil* (Berkeley: University of California Press, 1963).

[14] See Ruth Berrins Collier, "Popular Sector Incorporation and Political Supremacy: Re-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

allowed a surprisingly similar *economic* strategy. Agricultural and mineral exports financed the intermediate and capital goods imports required for ISI. As in Mexico, this guaranteed that large commercial agriculture would enjoy a privileged position, monopolizing available credit and infrastructure, and maintaining a strong voice in state politics and patrimonial influence at the local level. These political conditions help to explain extensive rural poverty and patterns of income distribution that are among the most skewed in the world.[15]

There is some debate about whether the "exhaustion" of the first, "easy" phase of import substitution in light manufactures provoked an identifiable economic crisis in any of the NICs.[16] Whether triggered by cyclical downturns or longer-term structural trends, policy debates in all four countries centered at different times on developing new strategies for moving beyond the initial stages of ISI. At this point, the East Asian and Latin American growth paths diverged sharply, with profound consequences for their integration into the world economy.

Liberalizing economic reforms took place in Taiwan between 1958 and 1962, and in Korea between 1963 and 1965. Championed by a transnational alliance of U.S. aid officials and Western-trained local technocrats, these policies encouraged specialization on the basis of the export of labor-intensive manufactures. The rapid take-off of both economies followed closely on the heels of these policy reforms. In both countries, the share of trade in GNP grew rapidly, and new incentives were extended to foreign investment.

What role did the state play in this transition? For Balassa, Korea and Taiwan vindicate liberal policy prescriptions. (See chapters 1 and 15-18.) Moving between positive analysis and advocacy, Balassa argues for "getting the prices right" through market-oriented policy shifts that integrate the developing country into the world economy. These policy shifts include domestic pricing and financial reforms, but above all, import liberalization and a realistic exchange rate. Balassa considers the role of the state to lie in structuring these arm's-length incentives into

gime Evolution in Brazil and Mexico," in Hewlett and Weinert (fn. 6); Susan Eckstein and Peter Evans, "Revolution as Cataclysm and Coup: Political Transformation and Economic Development in Mexico and Brazil," in *Comparative Studies in Sociology*, Vol. I (Greenwich, CT: JAI Press, 1978).

[15] The debates on income distribution in Brazil and Mexico are reviewed by David Felix, "Income Distribution Trends in Mexico and the Kuznets Curve," and Sylvia Ann Hewlett, "Poverty and Inequality in Brazil," both in Hewlett and Weinert (fn. 6). See also Sylvia Ann Hewlett, *The Cruel Dilemmas of Development: Twentieth-Century Brazil* (New York: Basic Books, 1980); Joel Bergsman, *Growth and Equity in Semi-Industrialized Countries*, World Bank Staff Working Paper No. 351 (Washington, DC: World Bank, 1979).

[16] See Albert Hirschman, *A Bias for Hope* (New Haven: Yale University Press, 1971), chap. 3, "The Political Economy of Import-Substituting Industrialization in Latin America."

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

a comprehensive and consistent policy package that encourages efficient allocation of resources and signals firms of their comparative advantage.

While the trade pattern of the East Asian NICs may be accurately predicted by theories of comparative advantage (Balassa, chaps. 6-9), there is debate whether Korea, Taiwan, and Singapore encouraged international specialization through the market alone.[17] All of the East Asian NICs, with the exception of Hong Kong, used protection to develop infant industries, even *after* the shift to an export-oriented strategy.[18] Import liberalization proved highly selective and conditional on export performance. State-owned enterprises have been important in the industrial development of Singapore, Korea, and Taiwan. Local content and export requirements designed to alter the trade behavior of multinational corporations have also been employed.[19]

Market-oriented incentives have clearly been important in the success of the East Asian NICs. Yet, within some poorly understood but controversial limits, states can also behave entrepreneurially to assist the private sector in achieving international competitiveness. States can "project" or "create" comparative advantage through *dirigist* industrial policies.[20]

Jones and Sakong offer a particularly nuanced portrait of this process in their analysis of Korea's economic management. They note that the incentives championed by Balassa—such as exchange rate and tax reform—were indeed critical in eliminating purely rent-seeking and ar-

[17] See Alice Amsden, "Taiwan's Economic History: A Case of Etatisme and a Challenge to Dependency Theory," *Modern China* 5 (July 1979), 341-80; Stephan Haggard and Chung-in Moon, "Liberal, Dependent or Mercantile: The South Korean State in the International System," in Ruggie (fn. 2); and the special issue of *IDS Bulletin* 15 (April 1984), "Developmental States in East Asia: Capitalist and Socialist." For a discussion of this debate with reference to Japan, see Chalmers Johnson, *MITI and the Japanese Miracle* (Stanford, CA: Stanford University Press, 1982), chap. 1.

[18] Balassa cites some evidence of this in *Development Strategies in Semi-Industrial Countries* (Baltimore: The Johns Hopkins University Press, 1981). See also Robert Wade, "Dirigisme Taiwan-Style," *IDS Bulletin* 15 (April 1984), and "State Intervention in 'Outward-Looking' Development: Neoclassical Theory and Taiwanese Practice," in G. White and R. Wade, *Developmental States in East Asia* (Macmillan, forthcoming).

[19] On state-owned enterprises in Korea, see Leroy Jones, *Public Enterprise and Economic Development: The Korean Case* (Seoul: Korean Development Institute, 1976). On the debates on the effect of the developmental state on the international trading system, see Raymond Vernon, "The International Aspects of State-Owned Enterprises," *Journal of International Business Studies* 10 (Winter 1979), 7-15; A. E. Safarian, "Trade-Related Investment Issues," in William Cline, ed., *Trade Policy in the 1980s* (Washington, DC: Institute for International Economics, 1983); Gary Clyde Hufbauer and Joanna Shelton Erb, *Subsidies in International Trade* (Washington, DC: Institute for International Economics, 1984), chap. 3.

[20] This point has been made in William Cline, *"Reciprocity": A New Approach to World Trade Policy?* (Washington DC: Institute for International Economics, 1982), 39, and in Laura Tyson and John Zysman, "American Industry in International Competition," in Zysman and Tyson, eds., *American Industry in International Competition* (Ithaca, NY: Cornell University Press, 1983).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

bitrage activities (pp. 96, 274-78). But command measures and highly discretionary policies also proved important in stimulating growth. For example, the Park government exploited Korean firms' high dependence on debt to use targeted credit allocation as a tool of industrial policy. Though Korea is considered the most interventionist of the "Gang of Four," similar patterns of state intervention have been noted in Singapore and Taiwan.[21]

Jones and Sakong argue that the success of these instruments, as well as the ability to change economic course, must be traced to the independence of the political elite. It is only in the wake of the military coup of 1961 that economic policy making is "rationalized":

> Under Rhee [in the 1950s] Korea was the familiar "soft" LDC in which economic regulations were seldom enforced. Under Park, it became the prototype of the "hard" development model with the ability to impose obligations via compulsion and the ability to direct administrative discretion toward economically desirable ends (p. 296).

A similar argument can be made for Taiwan, Singapore, and even Hong Kong, where economic policy making has been in the hands of an independent colonial bureaucracy.

In the Latin American cases, the size of the domestic market made a continuation and extension of protection a plausible strategy. This second phase of import substitution was launched in both countries in the mid-fifties under the auspices of planners influenced by Prebisch's arguments on the advantages of import substitution.[22] The strategy sought to broaden the range of local production to include consumer durables as well as intermediate and capital goods. Brazil's industrialization proved to be more capital-intensive and less labor-absorbing, and the push into capital-goods industries came earlier than in Mexico.[23] In both cases, however, this choice of industrial strategy involved a rapid growth in the number of state-owned enterprises, particularly in the intermediate-goods sector,[24] in addition to increased state involvement

[21] See Ray Hofheinz and Kent Calder, *The Eastasia Edge* (New York: Basic Books, 1982). For revealing views by prominent planners from Singapore and Taiwan, respectively, see Goh Keng Swee, *The Practice of Economic Growth* (Singapore: Federal Publications, 1977); K. T. Li, *The Experience of Dynamic Economic Growth on Taiwan* (Taipei: Mei Ya Publications, 1976).

[22] See Douglas Bennett and Kenneth Sharp, "The State as Banker and Entrepreneur: The Last-Resort Character of the Mexican State's Economic Intervention, 1917-1976," *Comparative Politics* 12 (January 1980), 165-89.

[23] See Graham (fn. 6).

[24] Thomas Trebat, "Public Enterprises in Brazil and Mexico: A Comparison of Origins and Performance," in Thomas C. Bruneau and Philippe Faucher, *Authoritarian Capitalism* (Boulder, CO: Westview Press, 1981); Trebat, *The State as Entrepreneur: The Case of Brazil* (New York: Cambridge University Press, 1983); Jones (fn. 19). A recent theoretical effort

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

in steering industrialization through the manipulation of protection, finance, and other incentives.

Divergent strategic choices explain differences in the nature of the "triple alliance" in the two regions. In East Asia, exports initially came from sectors such as textiles, apparel, and light manufacturing, in which indigenous entrepreneurs had already developed technological capabilities during the brief period of import substitution. Because of the rapid growth of world trade, export-oriented foreign firms could coexist with indigenous exporters without displacing them. In Latin America, by contrast, "deepening" involved implanting industries beyond the technological reach of local firms. Wooed by both Mexico and Brazil in the mid-fifties, MNCs quickly dominated new growth sectors such as the automobile industry, producing the industrial pattern that Evans characterizes as "dependent development."

What accounts for these divergent strategies in Latin America and East Asia? Market size is certainly important. Continuing import substitution is a more reasonable strategy in large countries than in small ones. Yet many small developing countries have never abandoned their inward-looking policies. Important voices in both Korea and Taiwan, including segments of domestic business, argued for more vigorous pursuit of import substitution in the late fifties despite small and saturated internal markets. On the other hand, some large developing countries, such as India, are more concerned with self-reliance than are others. After 1964, the Brazilian military pursued economic policies that set that country on a more outward-looking course (Balassa, chap. 10). Other political, ideological, and sociological factors are at work.

Patterns of mobilization and demobilization of the industrial working class provide an important point of contrast between the East Asian and Latin American NICs. In Latin America, the "populist coalition" of urban professionals, the industrial working class, and the national bourgeoisie is frequently portrayed as the coalitional basis of import substitution.[25] In fact, as Robert Kaufman has shown convincingly, a broad range of *different* coalitions supported early industrialization efforts in Latin America.[26] Post-Cardenas Mexico can hardly be labeled

to explain patterns of state entrepreneurship is Raymond D. Duvall and John R. Freeman, "The Techno-Bureaucratic Elite and the Entrepreneurial State in Dependent Industrialization," *American Political Science Review* 77 (September 1983), 569-87.

[25] See Fernando Henrique Cardoso and Enzo Faletto, *Dependency and Development in Latin America* (Berkeley: University of California Press, 1979).

[26] Kaufman, "Industrial Change and Authoritarian Rule in Latin America: A Concrete Review of the Bureaucratic Authoritarian Model," in David Collier, ed., *The New Authoritarianism in Latin America* (Princeton: Princeton University Press, 1979). See also the seminal work by Markos J. Mamalakis, "The Theory of Sectoral Clashes," *Latin American Research Review* 13 (No. 3, 1969), 9-46.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

populist. The shift to a secondary phase of ISI and the opening to foreign investment was a strategic response by Mexican planners to a slowdown in growth after the Korean War.

Brazil from the early fifties through 1964 more closely resembles the "pure" populist model. But the timing of Brazil's shift to secondary import substitution conflicts with Evans's contention that "dependent development" demands the authoritarian exclusion of the working class (p. 49). Evans follows Brazilian critics of import substitution who argue that a growth strategy based on MNCs and capital-intensive production of consumer durables "demanded" a skewed concentration of income that was detrimental to the popular sectors.[27] If so, the strategy was pursued most vigorously under Kubitschek's democratically elected government in the mid-fifties and cannot be laid at the feet of the military government. A new degree of freedom from political constraints, and the repression of labor, allowed the military to launch a wide array of economic reforms after 1964 that moved the Brazilian economy in a more outward-oriented direction. Nonetheless, growth remained rooted in the domestic market, and the choice of import substitution was a policy of much longer standing.[28] Nor—*contra* Evans and Guillermo O'Donnell—does there appear to be any compelling *economic* connection between the "deepening" phase of import substitution and the need to exclude the working class.[29] Indeed, as an industrialization strategy, import substitution would appear to allow room for *inclusion* of those portions of the working class that are employed in the high-growth sectors, though at the expanse of workers outside the primary labor markets.

Differences in the political organization of labor in Brazil and Mexico *do* help to explain different macroeconomic policies during the early phases of secondary ISI. Strong control over labor, established during the thirties, allowed the PRI to weather a sharp and painful devaluation in 1954 that launched Mexico's "stabilizing development." Echeverria's new populism triggered the inflation-stabilization cycle and increased labor militancy and political activity in the seventies. In Brazil, a multiparty system and a relatively independent labor movement produced

[27] Celso Furtado, *Diagnosis of the Brazilian Crisis* (Berkeley: University of California Press, 1965).

[28] Albert Fishlow, "Some Reflections on Post-1964 Economic Policy" in Alfred Stepan, ed., *Authoritarian Brazil* (New Haven: Yale University Press, 1973).

[29] O'Donnell's thesis concerning the relationship between "deepening" and authoritarianism is spelled out in his *Modernization and Bureaucratic Authoritarianism: Studies in South American Politics* (Berkeley: Institute for International Studies, University of California, 1973). José Serra presents the most detailed criticism in "Three Mistaken Theses Regarding the Connection between Industrialization and Authoritarian Regimes," in Collier (fn. 26).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

inflationary political pressures.[30] Inflation created a zero-sum conflict between labor and capital, contributing to the polarization of the political system. The sharp compression of wages and the repression of the labor movement that followed the 1964 coup resulted from political considerations as much as from a coherent economic strategy.[31] During the late seventies, the effort to compress wages in both Brazil and Mexico had yet another source: the effort to adjust to huge external debt burdens.[32]

If caution is required in drawing clear connections between labor mobilization and demobilization and industrial strategy in Latin America, the relatively early mobilization of labor and its potential political strength provides an important contrast to East Asia. A plausible connection *does* exist between the pursuit of a strategy based on exports of labor-intensive manufactures and the need to control labor. Not only does control over labor keep wage pressures down; it also increases the managerial flexibility required by an outward-oriented strategy. At a broader political level, the relative weakness of labor movements in Asia helps to explain the absence of leftist and nationalist coalitions that are usually hostile to market-oriented policies. Fred Deyo has shown for Singapore how the control of labor was consciously connected with the turn to export-oriented industrialization and the attraction of foreign investment.[33] In both Taiwan and Korea, control over labor was mo-

[30] This is the conclusion of the detailed economic study by Raouf Kahil, *Inflation and Economic Development in Brazil 1946-1963* (London: Oxford University Press, 1973).

[31] Kenneth Paul Erickson and Kevin J. Middlebrook, "The State and Organized Labor in Brazil and Mexico" in Hewlett and Weinert (fn. 6); John Humphrey, *Capitalist Control and Workers' Struggle in the Brazilian Auto Industry* (Princeton: Princeton University Press, 1982); Albert Fishlow, in Stepan (fn. 28); Michael Wallerstein, "The Collapse of Democracy in Brazil: Its Economic Determinants," *Latin American Research Review* 15 (No. 3, 1980), 3-4.

[32] Lance Taylor, "Mexico's Adjustment in the 1980s: Look Back Before Leaping Ahead," in Richard E. Feinberg and Valeriana Kallab, eds., *Adjustment Crisis in the Third World* (New Brunswick, NJ: Transaction Books, 1984); Jeff Frieden, "Third World Indebted Industrialization: International Finance and State Capitalism in Mexico, Brazil, Algeria, and South Korea," *International Organization* 35 (Summer 1981), 407-31; Carlos Diaz-Alejandro, "Southern Cone Stabilization Plans," in William Cline and Sidney Weintraub, eds., *Economic Stabilization in Developing Countries* (Washington, DC: The Brookings Institution, 1981); Alejandro Foxley, *Latin American Experiments in Neoconservative Economics* (Berkeley: University of California Press, 1983); Roberto Frenkel and Guillermo O'Donnell, "The 'Stabilization Programs' of the IMF and Their Internal Impacts," in Richard Fagen, ed., *Capitalism and the State in U.S.-Latin American Relations* (Stanford, CA: Stanford University Press, 1979); John Sheahan, "Market-Oriented Economic Policies and Political Repression in Latin America," *Economic Development and Cultural Change* 28 (January 1980), 267-91; Robert Kaufman, "Democratic and Authoritarian Responses to Stabilization in Latin America," and Stephan Haggard, "The Politics of Stabilization: Lessons from the IMF's Extended Fund Facility," in *International Organization* 39 (Summer 1985), 473-504 and 505-34, respectively.

[33] Deyo, *Dependent Development and Industrial Order: An Asian Case Study* (New York: Praeger, 1981).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tivated by political as much as by economic reasons, and in Hong Kong a steady stream of refugees initially kept labor weak.[34] But whether or not these controls were *motivated* by economic-strategic concerns, weak labor movements gave political elites more room to pursue export-led growth.

An important irony must be underlined. Despite extensive controls on trade union activity in Taiwan, Singapore, and Korea, export-led growth has produced a relatively egalitarian distribution of income within the working class as well as between the urban and rural sectors. Members of the "Gang of Four" have seen increases in real wages, sustained state interest in education and the development of human capital, and a steady decline in poverty.[35] The usually temporary "inclusion" of labor under ISI in Latin America, by contrast, extends only to workers in the primary labor market, neglecting the vast "informal" sector of unorganized workers.

In explaining the shift in industrial strategies, it would seem obvious to turn to the interests of domestic entrepreneurs. Again, caution is warranted. In both East Asia and Latin America, the protectionist policies associated with the first stages of ISI were strongly championed by local industrialists, though industry-oriented technocrats were already predisposed to listen. It might be more accurate to say that, in both Taiwan and Korea, protection created the local bourgeoisie rather than the other way around. Both export-led growth, with its demand for international competitiveness, and secondary import-substituting industrialization, with its selective opening to foreign investment, posed potential threats to domestic business.

There is no evidence in either Taiwan or Korea that local industries, enjoying protection, were the driving force behind the shift toward export-led growth, though they were to profit from it enormously. Import substitution does not preclude later export development favoring local firms; but the latter is possible only if the period of ISI is relatively short and, more importantly, if the state is able and willing to both force and ease the transition into international markets. The ability to shift

[34] H. A. Turner, *The Last Colony: But Whose? A Study of the Labour Movement, Labour Market and Labour Relations in Hong Kong* (Cambridge: Cambridge University Press, 1980). For a comparative analysis of Asian labor, see Fred Deyo, "Export Manufacturing and Labor: The Asian Case," in Charles Berquist, ed., *Labor in the Capitalist Economy* (Beverly Hills, CA: Sage, 1984).

[35] Gary Fields, "Employment, Income Distribution and Economic Growth in Seven Small Open Economies," *The Economic Journal* 94 (March 1984), 74-83. For a dissenting opinion, see Hagen Koo, "The Political Economy of Income Distribution in South Korea: The Impact of the State's Industrialization Policies," *World Development* 12 (October 1984), 1029-37.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

policy toward an outward-looking growth strategy rests on a certain political autonomy from the *short-term* interests of the protected private sector.

In Latin America, import-substituting policies proved addictive: the long duration of ISI entrenched protectionist interests deeply.[36] While secondary import substitution necessarily expanded the position of the multinationals, there are interesting differences between the relative strength of local and foreign firms in Mexico and in Brazil that suggest the difficulties of extending Evans's model of the "triple alliance" even within Latin America. Fiscal conservatism and the absence of an economically interventionist military limited the expansion of the state sector in Mexico, leaving more opportunities for the development of private firms. Relatively low inflation encouraged the development of capital markets favoring the private sector. Above all, the PRI's revolutionary-nationalist ideology imposed greater limitations on the state's posture toward foreign direct investment than in Brazil, where market-oriented technocrats gained ascendency after 1964.[37]

A brief word should be said about the development path characterizing the industrialization of Hong Kong and Singapore.[38] As entrepôts, both developed service and commercial sectors that were heavily dependent on economic trends in the international economy as well as in their respective hinterlands. This dual dependence produced periodic "entrepôt crises." The Chinese Revolution provided Hong Kong with an influx of entrepreneurs and workers while temporarily cutting off its entrepôt trade. A similar reduction in entrepôt trade was caused by the strategic embargo of China during the Korean War, which encouraged externally oriented manufacturing in textiles and apparel, making Hong Kong the first East Asian NIC to enter the export game.

Singapore's development path is more complex. A brief period of

[36] See Dale Story, "Trade Politics in the Third World: A Case Study of the Mexican GATT Decision," *International Organization* 36 (Autumn 1982), 767-94.

[37] Graham (fn. 6), 31-36. For an analysis of the political organization of Mexican business, see Dale Story, "Industrial Elites in Mexico: Political Ideology and Influence," *Journal of Interamerican Studies* (August 1983), 351-76; Jorge Dominguez, "Business Nationalism: Latin American National Business Attitudes toward Multinational Enterprises," in Dominguez, ed., *Economic Issues and Political Conflict: US-Latin American Relations* (London: Butterworth, 1982), 16-68; Gary Gereffi and Peter Evans, "Transnational Corporations, Dependent Development and State Policy in the Semiperiphery: A Comparison of Brazil and Mexico," *Latin American Research Review* 16 (No. 3, 1981), 31-64.

[38] Theodore Geiger and Frances M. Geiger, *Tales of Two City States* (Washington, DC: National Planning Association, 1973); A. J. Youngson, *Hong Kong: Economic Growth and Policy* (Hong Kong: Oxford University Press, 1982); N. J. Miners, *The Government and Politics of Hong Kong*, 3d ed. (Hong Kong: Oxford University Press, 1981); Jon S. T. Quah, Chan Heng Chee, and Seah Chee Meow, *Government and Politics in Singapore* (Singapore: Oxford University Press, 1985).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

association with Malaya from 1963 to 1965 failed for political reasons.[39] When Singapore became independent, the difficulties of reassuming the entrepôt role led planners toward an export-oriented strategy, though one based heavily on foreign investment and one in which the state played a significant role. Despite the rapid industrialization of the city-states, both remain heavily involved in shipping, commercial services, and banking.

Since the late sixties, there has been a wider divergence in the development paths of the NICs; their remaining commonalities can be traced to difficulties in the respective development models. In Mexico and Brazil, the economic and social costs of import substitution became increasingly apparent during the sixties. Both countries pursued a two-pronged industrial strategy: they sought to expand and diversify their manufactured as well as agricultural exports in order to escape chronic balance-of-payments problems, while carrying on further "rounds" of import substitution.

Along the U.S.-Mexican border, a pattern of export-oriented industrialization emerged that bore a resemblance to the export-processing zones in East Asia, but export promotion was hampered by lack of consistent governmental attention and contradictory macroeconomic and exchange-rate policies.[40] From the mid-seventies, oil and oil-linked industries became the dominant growth poles, but with corresponding costs to other manufacturing sectors. Brazil expanded and diversified its export markets during the seventies, becoming an important supplier of capital and intermediate goods to other Latin American countries. In both countries, the new export drive involved special inducements and subsidies for exporters and an attempt to force multinational corporations to reorient their trade strategies.

During the 1970s, the effort to maintain a forward momentum in the capital and intermediate goods industries expanded the states' direct role as entrepreneur, contributing to severe imbalances in central government accounts. State-owned enterprises proliferated, apparently beyond the control of central government ministers; a number of writers referred to a new phase of "state capitalism" in both countries.[41] Both countries

[39] See Chan Heng Chee, *Singapore: The Politics of Survival, 1965-1967* (Kuala Lumpur: Oxford University Press, 1971). For a radical analysis, see Iain Buchanan, *Singapore in Southeast Asia* (London: G. Bell & Sons, 1972).

[40] On the assembly industry in Mexico, see Joseph Grunwald and Kenneth Flamm, *The Global Factory: Foreign Assembly and International Trade* (Washington, DC: The Brookings Institution, 1985), chap. 4.

[41] Werner Baer, Richard Newfarmer, and Thomas Trebat, "On State Capitalism in Brazil: Some New Issues and Questions," *Interamerican Economic Affairs* 30 (Winter 1976), 69-92; E.V.K. Fitzgerald, "The State and Capital Accumulation in Mexico," *Journal of Latin*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

gambled on an expansionist course during the world recession of the mid-seventies, financing their new phase of industrialization by borrowing heavily on the Eurodollar markets. Despite the rapid growth of Mexico's oil exports and Brazil's success in diversifying its trade, debt-led industrialization faced both countries with crippling adjustment problems that overshadowed the formulation of any coherent industrial strategy.

The East Asian "Gang of Four," despite their high degree of dependence on trade, proved much more adept in adjusting to the international shocks of the seventies than their Latin American counterparts, thereby providing further evidence to the liberals of the superiority of an outward-looking strategy (Balassa, chap. 2). Such hindsight masks the concerns of policy-makers in the Asian NICs.[42] All four had built the first stage of their export-oriented growth strategy on technologically mature, labor-intensive manufactures. All four faced increases in real wages that challenged their competitiveness, as well as protectionism and slowed economic growth in the world economy. Particularly in Korea, Taiwan, and Singapore, economic performance was the central pillar of efforts at political legitimation. In all cases, planners turned their attention to the problem of upgrading and developing a new industrial mix. National strategies varied across the four, however, revealing the differing role of the state.

Korea acted most aggressively, formulating a plan for heavy and chemical industry that demanded a greatly increased state role in guiding investment and extensive foreign borrowing. The experiment contributed to a brief collapse of the Korean economy in 1980, before the launching of a new phase of growth in which comparative advantage and "liberalization"—of trade, of rules governing foreign investment, of state controls—became watchwords. Taiwan moved more cautiously into a new round of import-substitution, relying more heavily on state-owned enterprises than did Korea, before turning aggressively toward "hi-tech" industries in the late seventies. Singapore's "Second Industrial Revolution" sought to force technological upgrading on foreign firms by allowing wages to rise, thereby discouraging simple assembly oper-

American Studies 10 (November 1978), 263-82, and Fitzgerald, *The Political Economy of Peru, 1956-1978* (New York: Cambridge University Press, 1979). See also the review by William Canak, "The Peripheral State Debate: State Capitalist and Bureaucratic Authoritarian Regimes in Latin America," *Latin American Research Review* 19 (No. 1, 1984), 3-36.

[42] For different interpretations of the "crisis" of export-led growth, see Clive Hamilton, "Capitalist Industrialization in East Asia's Four Little Tigers," *Journal of Contemporary Asia* 13 (1983), 35-73; Stephan Haggard and Tun-jen Cheng, "State Strategies, Local and Foreign Capital in the 'Gang of Four'," in Fred Deyo, ed., *The Political Economy of the New Asian Industrialism* (Cornell University Press, forthcoming).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ations. Even Hong Kong, by far the most laissez faire of the four, engaged in new debates about how the government might assist in industrial diversification through the provision of technical assistance.

III. The International System: Constraint or Opportunity?

As the foregoing analysis suggests, different national strategies result in different forms of "dependence" on the world economy. Economic changes in the international system—including the gradual diffusion of technology, the growth of foreign direct investment, and the openness of Northern markets—have facilitated the growth of NICs, but created new bargaining and adjustment problems. The ability to manage these is a function of domestic structures and capacities, as is evidenced by the problems of managing expanded trade and foreign direct investment in manufacturing.

TRADE: THE LIBERAL PICTURE MODIFIED

Bela Balassa's work shows the surprising constancy of the neoclassical theory of international trade. Countries pursuing import-substitution industrialization, such as the Latin American NICs, are plagued with numerous economic distortions; those following liberal commercial policies benefit from specialization. Just as the theory of comparative advantage champions the efficiency of liberal trade policies, so the theory of the product cycle underscores the net benefits of foreign investment. As education levels rise and entrepreneurial learning takes place—two crucial domestic prerequisites—the capacity to absorb an existing backlog of internationally available technology goes up. These technologies provide the basis for dynamic leading sectors, centers of capital accumulation, backward and forward linkages, and ultimately exports. Depletion of the technological backlog and a growing preference for consumption over investment lead the rich countries to slow down. Contrary to dependency expectations, the gap between early and late industrializers tends to narrow.[43] By contributing to the diffusion of economic capabilities and expanding market opportunities, a liberal order encourages upward mobility. According to Balassa,

> [Japan's] comparative advantage has shifted toward highly capital-intensive exports. In turn, developing countries with a relatively high human capital endowment, such as Korea and Taiwan, can take Japan's place in

[43] See W. W. Rostow, *Why the Poor Get Richer and the Rich Slow Down* (Austin: University of Texas Press, 1980), chap. 6.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

> exporting relatively human capital-intensive products, and countries with relatively high physical capital endowment, such as Brazil and Mexico, can take Japan's place in exporting relatively physical capital-intensive products. Finally, countries at lower levels of development can supplant the middle level countries in exporting unskilled labor-intensive commodities (pp. 165-67).

Balassa's liberal view neglects the political basis of a liberal trade system. The suspicion that the NICs succeed by free-riding and cheating has made them the main targets of the new protectionism and the call for "reciprocity."[44] Free-traders point out that NIC exports constitute a small portion of world trade, come from a small group of countries, and are concentrated in a narrow range of products (Turner/McMullen, chaps. 2 and 11). They argue that the NICs' competitive challenge is not likely to widen without limit. Louis Turner's analysis of the rapidly changing consumer electronics industry concludes that "the NICs are stalking a target which is moving ever faster in front of them" (p. 67).

When it comes to analyzing trade, however, it is political analysis, not economics, that is the dismal science. Balassa's advocacy of export-led growth rests on a fallacy of composition. The model has worked well when the number of states is small; but if it were generalized, the flood of Third World manufactures would outrun the *political* capacity of the advanced industrial states to absorb them.[45]

Wolfgang Hager has provided the starkest political appraisal of the threat posed by the NICs.[46] Balassa and Turner/McMullen assume that the industrialized countries need only shed a few labor-intensive industries through "positive adjustment" (Turner/McMullen, Part Three) while moving into "natural shelters" of sophisticated products safely beyond the NICs' reach. In fact, Hager argues, the competitive quest for technological leadership among the advanced industrial countries will result in deeper state involvement in industry, premature surplus capacity, and a new generation of adjustment problems.

The real dilemma emerges when "two worlds" are linked by trade and capital markets.

[44] For a review of recent protectionism, see S. J. Anjaria, Z. Iqbal, N. Kirmani and L. L. Perez, *Developments in International Trade Policy* (Washington, DC: International Monetary Fund, 1982); Robert Ballance and Stuart Sinclair, *Collapse and Survival: Industry Strategies in a Changing World* (London: George Allen & Unwin, 1983).

[45] William R. Cline, "Can the East Asian Model of Development Be Generalized?" *World Development* 10 (February 1982), 81-90.

[46] Hager, "Protectionism and Autonomy: How to Preserve Free Trade in Europe," *International Affairs* 58 (Summer 1982), 413-28. Michael Beenstock (fn. 1) develops a model of the slowdown in the world economy during the seventies that assigns a central role to the emergence of the newly industrializing countries.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

> One, ours, is characterized by unfree labor markets and still relatively free markets for allocating capital. The other is a world of free labor markets . . . and systems of capital allocation by central plans or strategic consensus by a handful of entrepreneurs and bureaucrats.[47]

Availing themselves of the international technological backlog, the NICs can achieve levels of productivity comparable to those in the advanced industrial states, but with drastically lower wage costs. To demand that the industrial worker of Europe become an object of market forces in the name of "adjustment" is to court the destruction of the postwar welfare state.[48] The only realistic response is political management of trade between these different socioeconomic systems.

Empirical studies of protectionist actions against the NICs produce somewhat less dire results, showing that import penetration is neither the only cause of industrial distress nor a good predictor of protectionist outcomes. Cross-cutting interests limit the pressures for thirties-style closure. Industry characteristics, such as a high level of multinationality or dependence on exports, as well as adaptive corporate strategies and the political organization of industry, condition the demand for protection. (See Lawrence Franko and Sherry Stephenson, "The Micro-picture: Corporate and Sectoral Developments," in Turner/McMullen.)[49] "Supply-side" theories note that ideology, institutions, and political processes have also checked demands for closure.[50]

In *Power and Protectionism*, David Yoffie argues that Hager's solution of managed trade yields perverse and unintended consequences. Orderly marketing agreements—a form of trade restraint based on quotas—have allowed the East Asian NICs ample room for evasive maneuver. Since such restraints are negotiated, the weak country can bargain for longer-run gains, push for ambiguous arrangements, form transnational alliances with groups favoring free trade, link issues, or simply cheat (pp. 19-36). In addition, quotas force the *exporting* country to adjust by upgrading and diversifying. A necessary condition for exploiting these opportunities is factor mobility, but Yoffie suggests correctly that the adjustment process is facilitated by coherent national strategies (pp. 19, 211-12).

[47] Hager (fn. 46), 420.

[48] For a conservative view of the link between the welfare state and protectionism, see Melvyn Krauss, *The New Protectionism: The Welfare State and International Trade* (New York: International Center for Economic Policy Studies, 1979).

[49] Also see Zysman and Tyson (fn. 20); William Brock and Stephen Magee, "The Economics of Special Interest Politics: The Case of the Tariff," *American Economic Review* 68 (May 1978), 246-50.

[50] Robert Pastor, *Congress and the Politics of U.S. Foreign Economic Policy* (Berkeley: University of California Press, 1980); Stefanie Lenway, *The Politics of U.S. International Trade Policy* (Boston: Pitman, 1985).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

There can be little doubt that the NICs, particularly the East Asian "Gang of Four," entering the world economy during a period of trade-intensive growth, benefited from auspicious timing. As I have argued above, however, their export success rested not only on "getting the prices right," but on the political as well as managerial flexibility that allowed them to navigate an increasingly politicized international trade system. Yoffie argues that the political limits on adjustment in the advanced industrial states have benefited the NICs by forcing aggressive market and product diversification, and even outward investment.[51] This optimistic view assumes that protectionists cannot innovate at the same pace as their victims, and that the world trade of the past two decades, anchored in a strong liberal regime, is a good guide to the future. In fact, both international and domestic conditions are likely to restrict the number of new export-oriented NICs (Turner/McMullen, 22-24, 259). States seeking to follow in the footsteps of the first wave of NICs not only face a more uncertain trade environment, but will need political capacities not widely found in the Third World.

FOREIGN INVESTMENT: "NEW WAVE" DEPENDENCY THEORY

The early dependency theorists presented a view of the effects of the international system which was diametrically opposed to the optimism of the liberals. Fernando Henrique Cardoso was among the first to recast dependency thinking to account for the industrialization of the large Latin American NICs.[52] Recent work by Peter Evans and by Richard Newfarmer on Brazil, as well as by Gary Gereffi and by Douglas Bennett and Kenneth Sharpe on Mexico, is characteristic of this "new wave" of theorizing on "dependent development."[53]

The central focus of the new dependency analysis is the relationship between the state and foreign and local firms. Each leg of this "triple alliance" is conceived in a multifaceted and thus sometimes confusing way. The "state" is simultaneously a political institution upholding a given social order, a policy-making entity, the institutional home of the

[51] Louis T. Wells, *Third World Multinationals: The Rise of Foreign Investment from Developing Countries* (Cambridge: MIT Press, 1983).

[52] Cardoso, "Associated-Dependent Development: Theoretical and Practical Implications," in Alfred Stepan, ed., *Authoritarian Brazil* (New Haven: Yale University Press, 1973). Other Marxist reformulations seeking to account for the NICs include Bill Warren's stimulating return to Marx, *Imperialism: Pioneer of Capitalism* (London: New Left Books, 1980), chap. 3; Immanuel Wallerstein, "Semi-peripheral Countries and the Contemporary World Crisis," *Theory and Society* 3 (December 1976), 461-83; Ronald Chilcote, ed., *Dependency and Marxism: Toward a Resolution of the Debate* (Boulder, CO: Westview Press, 1982). On the applicability of the dependency approach to East Asia, see Haggard and Cheng (fn. 42); Koo (fn. 35); Fölker Fröbl, Jürgen Heinrichs, and Otto Kreye, *The New International Division of Labour: Structural Unemployment in Industrialised Countries and Industrialisation in Developing Countries* (New York: Cambridge University Press, 1980).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

"state bourgeoisie," and an entrepreneur engaged in production through state-owned enterprises. Foreign and local "capital" are treated sociologically and politically as class fractions, economically as profit-maximizing firms. At its broadest, the "triple alliance" is thus a pact of domination among elites with a common interest in political exclusion and rapid capital accumulation. At the same time, Evans uses "triple alliance" to refer to a particular division of labor among the three, including both a pattern of intersectoral specialization that might be called a "macro triple alliance" and a "micro triple alliance" of institutional cooperation *within* individual sectors, or even projects.

The international hierarchy central to the dependency tradition is introduced in several ways. Gereffi's main hypotheses predict an inequitable distribution of benefits between foreign firms and the host country, a "stunting or restriction of choice among local development options" (p. 61), and MNC marketing, pricing, and product selection inappropriate to the needs of the Third World (190-212). In a welcome departure from previous dependency writing, Gereffi recognizes that these hypotheses demand tricky counterfactual speculation on the costs and benefits of *foregoing* foreign investment. The costs associated with direct foreign investment are not inevitable. Gereffi acknowledges that the "lack of autonomous action by the Mexican state to assert national priorities" (p. 121) is equally to blame. Although he contends that the international structure of the industry limited Mexico's bargaining power,

> state inaction at certain junctures could also be explained at least in part by conflicting priorities within the state bureaucracy, inadequate administrative capabilities for monitoring and regulating the activities of TNCs [transnational corporations] and corruption (p. 155).

Evans's and Gereffi's explanations of the relative power of the multinationals actually have less to do with dependency theory than with approaches to the multinational enterprise that emphasize market imperfections.[54] These theories hold that the costs of overseas investment will deter firms from going abroad unless offset by oligopolistic advantages vis-à-vis local competitors. Such advantages include access to finance, technology, marketing capabilities, managerial skills, and economies of scale. These sources of the MNCs' bargaining power also prove to be important determinants of the division of labor and the balance of bargaining power within the "triple alliance."

[53] In addition to the volumes under review, see the works cited in fn. 5.

[54] Stephen Hymer, *The International Operations of National Firms: A Study in Foreign Investment* (Cambridge: MIT Monographs in Economics 14, 1976); Charles Kindelberger, *American Investment Abroad* (New Haven: Yale University Press, 1969).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

For both Evans and Gereffi, the pharmaceutical industry provides an example of the denationalizing displacement of local firms by foreign competitors. Differing levels of technological innovation prove to be a more important reason than foreign ownership *per se*. Evans finds that, "if technological innovation had not come to be so important after World War II, the advantage of the international firms relative to their Brazilian competitors would not have been so overwhelming" (p. 124). Gereffi's explanation of the loss of an indigenous Mexican steroid hormone industry also rests on differing levels of innovation spurred by the characteristics of the American and Mexican markets and by the advantages of locating research, development, and marketing in the United States.

Evans shows that local firms may possess market-based advantages that allow them to grow and prosper, sometimes in joint ventures with foreign firms, sometimes in direct competition with them or by differentiating products and finding market niches. "Denationalization" is not an economy-wide phenomenon, even if multinationals occupy a commanding position in many leading manufacturing sectors in Brazil and Mexico.

Despite their theoretical emphasis on the constraints associated with foreign investment, both Evans and Gereffi point out that a number of factors have, over time, given the state increased bargaining power. The development of the NICs has been accompanied by an increase in the sheer technical and administrative ability to monitor and regulate investors. International conditions can also increase the state's freedom of maneuver. Neither Evans nor Gereffi mentions commercial borrowing, which initially allowed Mexico, Brazil, and Korea to pursue investment priorities free from the presumed constraints of foreign ownership. By the late seventies, however, commercial borrowing had far overshadowed direct investment as a source of foreign capital. Evans notes that, as sources of investment have become more geographically diversified, the NICs have gained additional bargaining leverage, particularly in the manufacturing sector (p. 83). Reversing earlier work by Moran and Stepan on the "obsolescing bargain" in extractive industries,[55] Gereffi shows that the point of entry may be the *weakest* for the import-substituting investor. The ability of the state to hold out the promise of access to the local market allows for increased selectivity.

Preoccupation with dependency deflects attention from the central theoretical question: *Under what conditions* will the state supplant foreign investment in strategic sectors, support local capital in doing so, or tighten

[55] Theodore Moran, *Multinational Corporations and the Politics of Dependence: Copper in Chile* (Princeton: Princeton University Press, 1974); Alfred Stepan, *The State and Society: Peru in Comparative Perspective* (Princeton: Princeton University Press, 1978).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

its regulatory grip? Both Evans and Gereffi frequently suggest that organizational and technological characteristics of particular industries may be the key to the relative bargaining power of the state and local and foreign firms. This important insight is never developed in a systematic way, however, because the model of dependent development ultimately takes the *country* rather than the *sector* as the unit of analysis.

Gereffi also eschews a more systematic approach to national decision-making processes. This weakness can be seen in his crossnational study of the drug industries in 14 less developed countries. Gereffi recognizes that "the strength of the state sector is a key variable in understanding the pharmaceutical industry in these countries," but in line with his dependency approach, he seeks to deduce "state strength" from position in the international system (pp. 214-15). Here he proves to be unsuccessful. "Semi-peripheral" countries are found to intervene to different degrees at different times, while some of the presumably weaker "peripheral" countries have developed extensive systems of control. Dissecting the "balance of power" within the "triple alliance" demands a theory of public policy.

In the works by Evans and Gereffi, the causal relationship between foreign investment and domestic economic and social conditions is exaggerated and not theoretically grounded. Foreign investment, they both concede, promotes growth—albeit of a "distorted" kind. But is it foreign investment *per se* that creates the distortions noted by Evans, or is it the broader development strategies the Latin American NICs have pursued? Foreign direct investment accounts for only a small fraction of capital formation in Brazil and Mexico. The distortions highlighted by Evans and Gereffi—neglect of agriculture, inequality, inappropriate production processes, and so forth—are the same ones that liberal economists attribute to import substitution (Balassa, chap. 1). Is "dependency" cause or effect?

If the "triple alliance" is conceived as a broad sectoral division of labor between the state and local and foreign firms, *all* developing countries are characterized by *some* form of "triple alliance." Its sectoral composition and the balance of power among the alliance partners can be traced to development strategy and domestic political factors by outlining in more detail the role of foreign investment in the development of the East Asian and Latin American NICs.

The shifts to secondary ISI and export-led growth were both accompanied by new incentives for foreign investment in manufacturing. In East Asia, national policy toward multinationals varied widely, however. Singapore's export-led growth has been almost wholly organized around foreign firms, in large part because of the historic weakness of the local

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

manufacturing sector.[56] Hong Kong's posture toward foreign investment has been completely laissez faire, but local Chinese firms, some tracing their roots to the nationalist period on the mainland, developed a strong presence in textiles and apparel quite early in the postwar period.[57] Political rapprochement with Japan, and the threat of entry of Japanese foreign investment, provoked a major political crisis in Korea in the mid-sixties.[58] The political opposition feared that Park Chung Hee would use his connections with the Japanese to finance continued political dominance. Nonetheless, a close business-government alliance and nationalist fear of "economic revanchism" on the part of Japan have kept Korean policy toward foreign investment relatively restrictive. Taiwan advertises an open investment climate, but as in Korea, efforts are made to steer investment into desired sectors, establish linkages with local firms, and promote exports by MNCs. This tacit support for the private sector cements a division of labor between the mainlanders who dominate the ruling KMT and the Taiwanese who occupy a prominent position in the economy.

More important than these divergent policies is the fact that export-led growth *itself* has strengthened local firms. The international orientation of Korean, Hong Kong, and Taiwanese businesses has given them a flexibility, efficiency, and adaptiveness that domestically oriented Latin American firms lack. The shift to a secondary phase of ISI, on the other hand, has of necessity entailed a greater role for both foreign firms and the state. The expansion of the state—either in its entrepreneurial role, or in response to perceived popular pressures, as in Mexico—has been a more salient political issue for indigenous firms than the entry of the multinationals. Mexican firms even protested the restrictiveness of Echeverria's policy toward foreign firms in the early seventies, seeing it correctly as a harbinger of increased interventionism.[59] In Brazil, the campaign against "statization," launched defensively in the late seventies against the growth of state-owned enterprises, was to mushroom into a broader discontent with the military's economic mismanagement. By the early 1980s, portions of the São Paulo industrial elite had come to question the benefits of authoritarian rule and had joined the movement for democratization.[60]

Export-oriented foreign investment did not pose a challenge to do-

[56] See Deyo (fns. 33 and 34); and Buchanan (fn. 39).

[57] See Youngson (fn. 38), chap. 2.

[58] Kwan Bok Kim, *The Korea-Japan Treaty Crisis and the Instability of the Korean Political System* (New York: Praeger, 1971).

[59] Carlos Arriola, "Los Grupos Empresariales Frente el Estado," *Foro Internacional* 16 (April-June, 1976), 449-95.

[60] For an early statement of this conflict, see Luiz Carlos Bresser Pereira, *O Colapso de uma Alianca de Classes* (São Paulo: Editora Brasiliense, 1978).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

mestic firms in East Asia, and import-substituting investment was largely limited to sectors not competing with local capital. As import-substituting and high technology sectors become more central to growth in Korea and Taiwan, it is likely that the problems of "denationalization" and "statization" will also become politically salient. To date, close relations between business and government have prevented the private sector from openly seeking a greater political role as was the case in Brazil and Mexico.

The concept of dependency has deterred both Evans and Gereffi from exploring other theoretical avenues. Gereffi argues that the dependency approach is by its nature theoretically eclectic, itself dependent on other approaches—such as bargaining theory, theories of public policy and the state, theories of foreign direct investment and industrial organization—for its central claims (pp. 36-43). Now that the dependency tradition has brought an important set of questions to our attention, however, it seems time to dispense with the overall framework in favor of more determinate causal theories.

IV. Conclusion

The postwar expansion of trade, lending, and foreign investment has provided a context within which the NICs have achieved rapid industrialization. "Dependence," however, appears to be a result of particular national strategies rather than a characteristic of the international system *per se*. Static portrayals of a hierarchic international structure cannot account for the upward movement that the NICs represent; nor can they account for the differing strategies that states have adopted to manage interdependence.

I have sought to outline a comparative approach to NIC development that centers on economic policy choice. Three social-political variables were considered. Broad aspects of the social structure—including the organization of the rural sector, the timing of the mobilization of labor, and the interests of the domestic bourgeoisie—provide a limiting context within which political elites act. Under certain specified conditions, however, the state can achieve autonomy from previously dominant social coalitions, allowing it to rearrange society by shifting the direction of economic policy. At the extreme, shifts in "economic" policy may involve an attack on dominant social classes, as in Taiwan's land reform. More frequently, such rearrangements involve the shifting of incentives among different productive activities—for example, toward import substitution or the promotion of exports—thus favoring the growth of new

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

firms and social groups. Even in the presumed "liberal" cases of Taiwan, Korea, and Singapore, these shifts have been effected by *dirigist* states wielding powerful policy instruments.

The broad shape of these reformist projects is in part a function of available *ideas* about the development process; those that are transmitted through transnational networks often carry the greatest weight. For instance, the American Agency for International Development wielded significant policy influence in both Taiwan and Korea during the period of transition to outward-looking growth.[61] Hong Kong's economic orientation has been institutionally entrenched in a succession of powerful, laissez-faire British Financial Secretaries.[62] Latin American structuralism and the policies of import substitution can be traced to the influence of the United Nations Economic Commission on Latin America, which not only published extensively on development questions, but also trained Latin American policy makers.[63] More recently, the global monetarism of the "Chicago school," carried forward by American-trained economists and advisors, has had a profound influence on the policies of several countries of the Southern Cone.[64] To date, the international transmission of policy-relevant knowledge has, however, received relatively little attention as a source of policy and political change.

The "newly" industrializing countries are, of course, not "new." All have long growth trajectories that have contributed to their current level of development.[65] The current fascination with export-led growth has caused some analysts to assume that policies can be easily transplanted and that the success of some East Asian countries can be widely replicated. There is little doubt that many LDCs can profit from selective economic liberalization. I have suggested, however, that the East Asian experience resulted from a unique conjunction of domestic and international factors. The same is true of the international environment that prompted import substitution in Latin America, for years seen as a development "miracle." Changing international economic conditions, as well as the increased politicization of trade in the advanced industrial states, could very easily call the wisdom of export-led industrialization into question. A preoccupation with abstract models, whether in the

[61] See Neil H. Jacoby, *U.S. Aid to Taiwan: A Study of Foreign Aid, Self-Help, and Development* (New York: Praeger, 1966).

[62] See Miners (fn. 38).

[63] Fernando H. Cardoso, "The Originality of a Copy: CEPAL and the Idea of Development," *CEPAL Review* (No. 4, 1977), 7-40.

[64] Foxley (fn. 32).

[65] For an interpretation that puts the growth of the NICs in a very long historical perspective, see Lloyd Reynolds, "The Spread of Economic Growth to the Third World: 1850-1980," *Journal of Economic Literature* 21 (September 1983), 941-80.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

liberal or the dependency tradition, only deters us from the more difficult task of explaining how individual countries, saddled with a particular international environment and particular domestic structures, struggle to advance their welfare.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE TRANSITION TO DEMOCRATIC GOVERNMENT IN BRAZIL

By RIORDAN ROETT

Thomas C. Bruneau, *The Church in Brazil: The Politics of Religion*. Austin: University of Texas Press, 1982, 237 pp.
Sylvia Ann Hewlett, *The Cruel Dilemmas of Development: Twentieth-Century Brazil*. New York: Basic Books, 1980, 243 pp.
John Humphrey, *Capitalist Control and Workers' Struggle in the Brazilian Auto Industry*. Princeton: Princeton University Press, 1982, 258 pp.
Peter McDonough, *Power and Ideology in Brazil*. Princeton: Princeton University Press, 1981, 326 pp.

I

THE international system has not been kind to South America in recent years. The combined shocks of massive debt burdens, high interest rates, and negative terms of trade have created a situation in which austerity and adjustment have become the realities of everyday life. It was not always so. While most of the world felt the impact of the first oil shock in 1973-1974, most countries in Latin America chose to ignore it and to continue to grow. The second oil price rise in 1979, combined with the dramatic shift in United States economic policy following the inauguration of Ronald Reagan in January 1981, led to a new round of borrowing to maintain solvency. The "music" stopped in August 1982, when Mexico let it be known that it could no longer service its foreign debt. Argentina followed suit, and by the autumn of 1982, Brazil understood what had happened: there would be no new borrowing under the old terms. The miracle and its aftermath had ended, and the time had come to pay the piper.

The ensuing process of cliff-hanging negotiations with the International Monetary Fund (I.M.F.) and with the private commercial banks continues today. For a complex set of reasons, the process has become routinized. The once-felt threat of a debtors' cartel or moratorium has passed, and the rhetoric of the debtors' meetings in Cartagena and Mar del Plata stands as a melancholy monument to the inability of the periphery to capture the attention of the center even when the latter's

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

own future is at stake. That is not to say that there have not been dramatic moments of uncertainty. Riots and death in the Dominican Republic, recalcitrance on the part of the Argentina, *de facto* default by Bolivia and Peru, and the refusal of Venezuela to accept the formality of an I.M.F. conditionality agreement have marred the otherwise businesslike proceedings of the international monetary authorities and the private commercial banks to limit the damage of the debt crisis.

Most striking has been the serious impact of the crisis on the social and political systems of the Latin American countries.[1] Austerity has meant a precipitous drop in the standard of living for the majority of the population.[2] Old jobs have been lost, and new ones have not been created. Malnutrition and infant mortality are but a few of the indicators that are on the rise in many countries. The political systems have felt the shock: bankrupt authoritarian regimes have fled ignominiously and embattled civilian regimes are attempting to give meaning to democracy. The barricades are up in Peru and Bolivia; they have been heightened by General Pinochet in Chile. Democratic governments in the former two countries appear increasingly vulnerable as they are beset by rising social demands and dwindling resources; in the latter country, General Pinochet has declared a state of siege and undertaken further repression. President Raúl Alfonsín of Argentina has all but abandoned his populist reform program. Other governments confront continued resistance to growing impoverishment.

While Brazil has not escaped the general scenario traced here, it has reacted with surprising resilience. The authoritarian government that took power in 1964 has retired from the field, somewhat disgruntled and the worse for wear, but with its dignity basically intact. There will be no trials to punish the generals. It is highly unlikely that the judicial system will be pressed to investigate allegations of corruption on the part of either military or civilian bureaucrats. The armed forces have not negotiated special conditions for releasing power as they did in Uruguay; nor have they dug in their heels and hung the mantle of the fatherland about their shoulders, as has happened in Chile.

Why is Brazil different—if it is? The democratic opening in that country culminated in the peaceful 1985 election, indirectly, of Governor

[1] See Riordan Roett, "Democracy and Debt in South America: A Continent's Dilemma," *Foreign Affairs* 62 (No. 3, 1983), 695-720, and Roett, "Prospects for Atlantic Area Political and Security Relationships in the Wake of Economic Upheaval," *EUROPA ARCHIV* 40, No. 5, March 10, 1985.

[2] See the collection of essays in Richard E. Feinberg and Valeriana Kallab, eds., *Adjustment Crisis in the Third World* (New Brunswick, NJ: Transaction Books, 1984), as well as the persuasive arguments of Celso Furtado, *No to Recession and Unemployment: An Examination of the Brazilian Economic Crisis* (London: Third World Foundation, 1984).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Tancredo Neves, the opposition candidate, to the presidency. The crafty but flawed campaign of the government's candidate, Deputy Paulo S. Maluf, crumbled. A wave of nationwide public demonstrations in support of the opposition candidate guaranteed a popular base for the government that took office on March 15, 1985.[3]

It was only a few years ago that many scholars of Brazil were convinced that the military regime would either evolve toward the Pinochet model—if it had not already surpassed it—or consolidate its power and become a permanent feature of Brazil's political life.[4] Democratic institutions were too fragile, they argued, to bear the weight of the complex social and economic problems (the fifth largest country in the world with a fast-growing population that had surpassed 130 million, one-quarter of which remained illiterate) that Brazilian modernization confronted.

Contrary to many commentators' predictions, Brazil's military did not take leave of its senses and did respond to popular pressure to withdraw. Democratic institutions—or pseudo-democratic, as some prefer—appear to be at least alive and perhaps even capable of processing complex demands. In contrast to many of Brazil's neighbors, democracy there appears to be headed for success, although real and continuing social and economic issues remain on the national agenda. What happened?

II

In *The Cruel Dilemmas of Development: Twentieth-Century Brazil*, Sylvia Ann Hewlett provides an accurate and harrowing account of the development experience that followed the military takeover of 1964. The author's premise—"that poverty and repression are grounded in the harsh realities of economic development"—was widely shared in the 1970s:

> In concrete terms, the impressive economic performance of Brazil ... in the modern period has depended upon massive poverty and political repression ... and would not have been possible under democratic governments pursuing egalitarian economic policies (p. 4).

[3] Tancredo Neves's incapacitation and unexpected death in 1985 diminished but by no means destroyed the popular support for the democratic government now led by President José Sarney.

[4] See, for example, Alfred Stepan, ed., *Authoritarian Brazil: Origins, Policies, and Future* (New Haven: Yale University Press, 1973); Neuma Aguiar, ed., *The Structure of Brazilian Development* (New Brunswick, NJ: Transaction Books, 1979); and Thomas C. Bruneau and Philippe Faucher, eds., *Authoritarian Capitalism: Brazil's Contemporary Economic and Political Development* (Boulder, CO: Westview Press, 1981).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

In view of that reality, it is no wonder that there was little hope of a quick or dramatic reversal of Brazil's authoritarian course.

Writing at the end of the "miracle" decade of the 1970s, during which Brazil grew at rates that in many years surpassed 10 percent, Hewlett was accurate to forecast continued societal impoverishment and state and elite enrichment:

> My prediction for the next decade is for a rather modest bundle of political freedoms that will ebb and flow within the narrow range of possibilities set by the economic circumstances of this country (p. 211).

She was wrong, however, when she concluded that

> Brazil has weathered the oil shocks and world stagflation rather well and seems set on a new course of steady, if not spectacular growth (p. 211).

Many others were wrong also. Few foresaw the dramatic impact the second oil shock was to have when combined with the new economic order imposed on the world by the first Reagan administration. But there were other reasons why an assessment that "more of the same" was in store for Brazil was an inaccurate guide to that state's future.

III

The aggressive and apparently successful Brazilian economic model of the 1970s was far from flawless,[5] but the flaws were masked relatively well, if at high cost. Repression was used against those who questioned the right of the authoritarian state to rule. The constitution was rewritten (1967) and then gutted (1969) to justify yet greater centralization of power by the same people who had written it originally.[6] The unquenched need for new capital to stimulate growth led to careless borrowing by bureaucrats who assumed future growth would pay the bill; it also led to careless lending by private commercial banks who apparently believed the hype of Minister Antônio Delfim Netto and his "boys" who sold everyone, including themselves, a bill of goods. President Emílio Garrastazu Medici, the most repressive of the military chief executives who governed Brazil after 1964, was widely heralded as a

[5] Two recent books provide overviews of the performance of the Brazilian economy during these years: Werner Baer, *The Brazilian Economy: Growth and Development*, 2d ed. (New York: Praeger Publishers, 1983), and William G. Tyler, *The Brazilian Industrial Economy* (Lexington, MA: D. C. Heath, 1981). For a recent macroeconomic analysis of Brazil's economic performance, see *Brazil: Economic Memorandum*, a World Bank Country Study (Washington, DC: The World Bank, 1984).

[6] The dynamic of the political system in these years is well summarized in Peter Flynn, *Brazil: A Political Analysis* (Boulder, CO: Westview Press, 1978), esp. chaps. 9 to 11.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

world-class leader—even by President Richard M. Nixon during Medici's state visit to the United States in 1971.[7]

Not all was as it seemed in Brazilian society, either. The rapid economic growth did indeed benefit a small part of the working population—the work force in São Paulo and its industrial suburbs, or "ABC" region. (The acronym is taken from the first initials of three communities in which there is a high concentration of industrial families.) But rather than being grateful for their rise to lower middle class status, the new workers began to chafe at government restrictions. They refused to accept the government's statistics about rates of inflation and consequent wage levels, and considered the centrally controlled Ministry of Labor, a legacy of Brazil's corporatist tradition, more of an enemy than a benevolent protector.

John Humphrey's *Capitalist Control and Workers' Struggle in the Brazilian Auto Industry* offers an excellent case study of what happened and why. The "new unionism," as he terms it, emerged in the early 1970s and led to a series of unanticipated and system-shaking illegal strikes later in the decade. The militancy of the labor movement in the ABC region brought to the fore a charismatic labor leader, "Lula" (Luís Inácio da Silva), then president of the metalworkers' union. Lula and others spearheaded a system-challenging series of confrontations with the regime that unleashed societal protest against the authoritarian state. While it is true that the waves of protest that began in the 1970s paralleled the desire of then-incumbent President Ernesto Geisel to slowly liberalize Brazil, the movement assumed a life of its own. As Humphrey cogently states,

> In 1980 and 1981 the struggles over industrial relations practices and workers' representation in the auto industry signaled both to employers and the State that a commitment to liberalization in the political sphere would have to be accompanied by changes in the workplace (p. 3).

Suddenly, the authoritarian state was confronted by a monster of its own creation. Ever greater emphasis on export diversification in the 1970s had led to growing industrial production. Unskilled workers were drawn to São Paulo by the tens of thousands from remote corners of Brazil; semi-skilled and skilled workers assumed positions of increasing importance in the factories. Their new economic status and acquired social prestige motivated them to seek equity in the workplace through the political process—legally when possible, and illegally when not.[8]

[7] For a stimulating analysis of this period, see Warren Dean, ed., *Reflections on the Brazilian Counter-Revolution: Essays by Florestan Fernandes* (Armonk, NY: M. E. Sharpe, 1981).

[8] For background on the Brazilian labor movement, see Kenneth S. Mericle, "Corporatist

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Humphrey's volume traces the history of the Brazilian labor movement since its creation by President Getúlio Vargas in the 1930s, before Brazil had an industrial plant. Labor remained tied to the state through the postwar years. State repression apparently decapitated the ideological leadership of the movement in 1964. New leaders, unwilling to accept either government tutelage or direction from the Marxist parties in Brazil, emerged and ultimately organized a new party, the Workers' Party (PT).

Management in Brazil followed a standard operating procedure during the 1960s and 1970s: "Workers' grievances ... were, by and large, suppressed rather than resolved" (p. 114). It was clear that "for most of the seventies, management in the auto industry was based on command, not negotiation. ... When not a matter for the police, labor relations were controlled by the Finance departments" (p. 117). The auto workers were a key union in São Paulo, relatively large and well-organized, and readily available for mobilization. They were also appropriately cynical of the prevailing system. Paternalism had failed for them. Collective bargaining was a chimera. There was almost universal belief among the auto workers that

> the "success" of the auto industry had largely been achieved at their expense, and yet rising productivity and profitability had been accompanied by the squeeze on wages between 1972 and 1974 (p. 140).

The deliberate wage squeeze was a major cause for the outbreak of strikes and violence at the end of the 1970s and early in the 1980s. This wave of protest ended with the economic realities of 1981-1982 and has yet to emerge again. Concurrently, the political fortunes of the PT waned; Lula, the party's candidate for the governorship of São Paulo in the November 1982 elections, finished last in a field of four. The economic recession left little space for organized protest if it resulted in losing one's job. Because of the absence of even a minimal safety net, few workers are willing to run that risk.

The wage package negotiated with the I.M.F., which permitted private bank lending to resume in October 1983, signaled the temporary end of the new unionism in Brazil. Whether it will recover depends to a large degree on changes in the rules of the political game as well as on the emergence of reinforcing structures in Brazilian society that combine to work for broader societal change. The case study of the auto

---

Control of the Working Class: Authoritarian Brazil since 1964," in James M. Malloy, ed., *Authoritarianism and Corporatism in Latin America* (Pittsburgh: University of Pittsburgh Press, 1977), 303-38.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

workers offers a penetrating analysis of the emergence of a "new class" in a country little known for its labor militancy or for losses on the part of the authoritarian state.

One important indication that the "New Republic" that took office in March 1985 was conscious of the demands of the working class—and of its political importance—was the frequent appeal for a social pact among the government, the workers, and business leaders as well as repeated public statements that labor alone would not bear the future cost of economic adjustment. How these appeals and statements are translated into actual government policy will tell a great deal about the future of the new unionism after the initial stage of economic adjustment, from 1983 to 1985. Organized labor's willingness to support the post-military politics of Brazil will make an important contribution to stabilizing democracy.

IV

While Lula and his colleagues were creating a new unionism in Brazil in the 1970s, another institution was recreating itself. Thomas Bruneau, in *The Church in Brazil: The Politics of Religion*, builds on his earlier book[9] and carefully traces the redefinition of its role undertaken by the church leadership in the 1970s. That new role encompassed a greater commitment to social change and to coalition building through political action in order to achieve a new status for the church as well as a more just Brazil.[10]

Bruneau traces the evolution of the church from a relatively weak and elitist institution to one of national—and international—stature, with a recognized commitment to profound societal change. The author comments that

> the church is being forced, ideologically and structurally, out of much of society at the same time that it is defining a new role for itself as spokesman of the ignored and repressed majority of the population. And, because few other groups or organizations have been allowed to exist, the church, with its elaborate structure, finds itself sought out and obliged to become involved with elements such as protest groups, students, and political parties, which seek protection and legitimacy. The Brazilian regime limits the church's options and in a sense compels it to adopt an orientation which is in opposition to the regime (p. 67).

[9] Bruneau, *The Political Transformation of the Brazilian Catholic Church* (Cambridge: Cambridge University Press, 1974).

[10] For a liberation theology perspective, see Leonardo and Clodovis Boff, *Salvation and Liberation: In Search of a Balance between Faith and Politics*, trans. Robert R. Barr (Maryknoll, NY: Orbis Books, 1984).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

During the auto workers' strikes in the 1970s and 1980s, the bishops of the ABC area, backed by the Cardinal Archbishop of São Paulo and other church leaders, crossed arms with the unions to stand together against the state. That militancy has been extended by the church, led by the National Conference of Brazilian Bishops (CNBB), into other fields such as human rights, defense of the rights of Indians, and land tenure conflicts on the frontier. It has also led to the church's open support for the formation of Christian Base Communities (*Comunidades Eclesiais de Base*, or CEBs), one of the most controversial grass-roots developments in the history of Brazil and the church.[11]

The CEBs have evolved as a local response to the lack of resources of the formal church and the necessity for community-based entities to share the responsibility of ministering to the needs of the poor. In the church, as elsewhere in Brazil, traditional lines of authority and conservative structures are no longer valid. As the unions have sought to define a new unionism, so the church seeks to restructure its ties with the people of Brazil. These processes have brought them together to confront the dehumanizing implications of the "miracles" of the military authoritarian period.

Their commitment to societal change has caused friction and conflict for both the church and the unions, but it has strengthened their resolve to work toward a common goal. The church's new concern for the cause of the marginal and poor in society "signals a reversal in structural terms of its whole history as well as of its role in society." It is obvious that "the church is not going to bring on 'the revolution' singlehandedly, but neither is any other single group or institution." But the church—and other groups and institutions—are convinced that a "revolution" is both possible and necessary (p. 154).

Significantly, the new orientation of the church in Brazil has brought it into conflict with the Vatican and Pope John Paul II. The Brazilian church, the strongest proponent of liberation theology in Latin America, has identified the "new" theology as both appropriate and necessary for the purposes of modernizing both Brazilian society and the church as an institution. John Paul's strong commitment to a nonpoliticized church has led to strong criticism of the liberation theology school of thought and has often focused directly on Brazil. Although progressive thought characterizes a majority of the hierarchy and clergy in Brazil, it is by no means universally accepted. John Paul's attempt to neutralize the impact of liberation theology has led to a series of conservative appoint-

[11] Bruneau develops the CEB theme (especially for Brazil), in "Basic Christian Communities in Latin America: Their Nature and Significance" in Daniel H. Levine, ed., *Churches and Politics in Latin America* (Beverly Hills, CA: Sage, 1980), 225-37.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ments within the hierarchy. These, in turn, have slowed but by no means halted the commitment to change and to doctrines such as liberation theology, which call for a greater role for the layman and seek to clarify options for the poor outside the formal structure of the church. The appeal of the new theology is strongest in the industrial suburbs of São Paulo and promises to grow in attraction as the unions strive to expand their political role in Brazil.

V

For more skeptical observers of Brazil, talk of "revolution" is not particularly relevant. Although the generals called their overthrow of President João Goulart in 1964 a revolution, that was merely a euphemism for authoritarianism. The "revolution" that the church and the labor unions seek is most probably a process of slow evolution. But its success to date, while spotty, is real. What is fascinating about the process of evolutionary change in Brazil during the last decade is that it has taken place at both the mass level—within the unions and the Catholic church—and at the top or elite level. It is probable that one would not have succeeded without the other: as Peter McDonough explains in *Power and Ideology in Brazil*, a critical factor in the authoritarian regime's decision to liberalize political life was a crisis within the elite itself.

The book is based on data derived from personal interviews with over 250 members of the Brazilian elite; McDonough draws a fascinating portrait of the limits of the civilian elite's tolerance for the military and their closest collaborators in an authoritarian regime. He argues persuasively that in 1964 there was general agreement on the need to shut down the political system in Brazil. Elite groups that were not entirely convinced of the desirability of military intervention were either ambivalent, coopted, or sufficiently threatened to acquiesce. As the author states, "the Brazilian establishment is like an exclusive club with strict entrance requirements, whose members have yet to come to terms on the by-laws, that is, about how they should treat one another" (p. 10). After 1964, the authoritarian nationalists in the armed forces, supported by the technocratic bureaucrats and most of the industrial and financial classes, thought they had written permanent, if exclusive, by-laws.

It was clear that the post-1964 regime was exclusionary. Popular representation or participation was intolerable. What was less obvious was that

> many formerly well-entrenched elite groups were also marginalized: politicians as a class, labor leaders, many intellectuals, some members of the business community and, gradually, the church. The concentration of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

> power by the military and the civilian bureaucracy began to deprive these elites of their constituencies. They were made increasingly irrelevant (p. xxviii).

While the economic miracle dominated Brazilian society, it was almost impossible to challenge the increasingly arbitrary power of the authoritarian state. But when the economy faltered in the mid-1970s, elite groups that had been excluded and feared further marginalization or elimination from the political game, reacted. The "social reformers"—labor leaders, the bishops, and some members of both the government and opposition parties—joined forces with the "politicians," the advocates of political liberalization, to confront the regime.

A key factor in the emergence of a loose coalition between the social reformers and the politicians within the Brazilian elite was the common threat they perceived. McDonough says of the social reformers that

> although they cannot be called ardent defenders of a more open, parliamentary style of conflict-resolution, they can be driven into the arms of the politicians when their control over the distribution of material rewards is diminished to the point where their status as elites, with some power over the allocation of needed benefits in the eyes of their clienteles, becomes small to the point of vanishing (p. xxx).

The regime discovered that it had "many apologists but few ideologists" (p. 168). What the authoritarian elitists forgot, to the detriment of their vision of a new Brazil, was that

> occasional rescue operations and surgical strikes on the part of the military do not throw the elites into shock, so long as it is understood that the control returns to civilians. It is this understanding that the Brazilian military rejected. In doing so, they lost legitimacy. It is the hegemonic pretensions of the military, and the sustained intrusion into the bases of power and patronage formerly controlled by nonmilitary estates, that the elites find unacceptable. The military can save the bourgeoisie; they cannot rule them (p. 199).

The reaction of the elites, then, was critical in challenging the hegemonic pretensions of the authoritarian state in the mid-1970s in Brazil. It was less the failure of the economic model (although that had its impact) and more the threatened exclusion of elite actors that led to a rethinking of the usefulness of the 1964 regime. By the end of the 1970s, increasingly large sectors of the elite were willing to support President Geisel in his efforts to curb the armed forces and institutionalize the process of liberalization. The urgency of that process became evident as mass discontent manifested itself in strikes and other forms of protest.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

VI

The complementary efforts of mass and elite groups in Brazil created the necessary, but perhaps not sufficient, cause for the transition to democracy that is still underway. The weakening of the authoritarian regime, which began in the mid-1970s, accelerated by the end of that decade. The economic shocks of the early 1980s, with their severe social consequences, led to increasingly bold political action. By 1983-1984, the Brazilian people had begun to communicate a simple but direct message to the regime: go. The campaign for direct elections for the presidency in 1984, which mobilized millions, ultimately failed; direct elections were rejected by the Congress. But it succeeded in that the opposition united, won the support of a major dissident faction of the governing party, and structured a political campaign that convinced the regime that it would be very costly to thwart the popular will.

The success of the opposition does not mean that the battle is over. Brazil remains a deeply elitist society in which the social agenda is largely unmet. Those who support societal reform hope that the innovations of the last decade, such as the ones within the labor movement and the Catholic church, will result in continuing and organized pressure from below. They also hope that those at the top, having experienced the heavy hand of an authoritarian state, will yield, if only slightly, on issues of distribution and social justice. There is some support for that view. McDonough comments at the end of his book, "even if they are unaccustomed to dialogue, most of the elites are not enthusiasts of final solutions" (p. 203). The 1964 authoritarian experiment loomed as a final solution to many in Brazil in the 1970s. The expectation is that the future will bring more accommodative policies. This will, however, require sufficient economic "space" with which to respond to pent-up social demands. We close the circle by arguing that the ongoing global economic crisis, over which Brazil has little control, will establish the parameters within which a reorganized elite will be able to resolve the conflicts that lie ahead.

In 1984, for example, a $13 billion trade surplus allowed Brazil to satisfy its international creditors. Because of increasing protectionist pressures in the industrial countries, a return to production for internal consumption, the elimination of export subsidies, and variable pricing for commodities, the prospects are less sanguine for 1985. Still, the downward drift of international petroleum prices is marginaliy helpful, even though Brazil is now able to produce almost 60 percent of its oil needs internally. Lower interest rates are a positive sign, but medium and long-term rates respond to conditions in the industrial world, es-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

pecially the United States, over which Brazil exercises little influence. Finally, the sheer size of the debt, and the enormous costs—economic and social—of servicing it satisfactorily, are of increasing concern to the new political leadership elected in 1985.

How far are democratic leaders prepared to go in sacrificing short-term growth to maintain international obligations that now seem part of a distant past when both "greatness" and foreign loans seemed to be within easy and costless reach? The delicate relationship between debt and democracy is very much at the forefront of the debate in Brazil about the appropriate economic and social decisions that a democratic government needs to take in order to preserve its political base, and *should* take in order to legitimize its right to rule. Brazil's well-known capacity for compromise will be tested in the next few years as the country struggles to confront world market conditions, a heavy debt burden, and the demands of the people for a fairer share in what is produced and available for distribution. The politicians will need all of their talents to balance the hard expectations of the private commercial banks and the International Monetary Fund as well as the aspirations of millions of ordinary Brazilians. For Brazil, the resolution of conflict is no longer only an internal matter: it must now be defined to include the country's relations with the international financial institutions. Once again, careful judgment will be needed in establishing the trade-offs that are possible. Brazil's success or failure in that process will have real significance for other South American states, weaker and more dependent, as they seek to establish appropriate bargaining positions. It will also determine to a large degree whether or not democracy can bear the pressure, and what sort of democratic system will eventually emerge. Will it be concentrated in the hands of the elites who argue that national survival justifies the concentration of power, or in those of pluralist groups that are less responsive to global imperatives but ultimately serve the interests of an increasingly democratic and participatory Brazil?

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

STATEMENT OF OWNERSHIP, MANAGEMENT AND CIRCULATION (Act of October 23, 1962; Section 4369, Title 39, United States Code). 1. Date of filing: September 26, 1985. 2. Title of publication: *World Politics*. 3. Frequency of issue: Quarterly. 4. Location of known office of publication: 3175 Princeton Pike, Trenton, Mercer, New Jersey 08648. 5. Location of the headquarters or general business office of the publishers: 41 William Street, Princeton, Mercer, New Jersey 08540. 6. Names and addresses of publisher, editor, and managing editor: Publisher, Princeton University Press, 41 William Street, Princeton, New Jersey 08540. Editors, Henry S. Bienen, Cyril E. Black, Richard D. Challener, Kenneth A. Oye, and Lynn T. White III, Center of International Studies, Princeton University, Princeton, New Jersey 08544. Executive editor, Elsbeth G. Lewin, Center of International Studies, Princeton University, Princeton, New Jersey 08544. 7. Owner: Princeton University Press (a nonprofit corporation without stockholders). 8. Known bondholders, mortgagees, and other security holders owning or holding 1 percent or more of total amount of bonds, mortgages, or other securities: None. 9. The purpose, function, and nonprofit status of this organization and the exempt status for Federal income tax purposes has not changed during the preceding 12 months. 10. A. Total number of copies printed (net press run): Average number of copies each issue during preceding 12 months, 4,400; single issue nearest to filing date, 4,400. B. Paid circulation: (1) Sales through dealers and carriers, street vendors, and counter sales: None. (2) Mail subscriptions: Average number of copies each issue during preceding 12 months, 3,589; single issue nearest to filing date, 3,591. C. Total paid circulation: Average number of copies each issue during preceding 12 months, 3,589; single issue nearest to filing date, 3,591. D. Free distribution by mail, carriers or other means: Average number of copies each issue during preceding 12 months, 116; single issue nearest to filing date, 117. E. Total distribution: Average number of copies each issue during preceding 12 months, 3,705; single issue nearest to filing date, 3,708. I certify that the statements made by me above are correct and complete. William C. Becker, Business Manager, Princeton University Press.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

New From Pittsburgh

PERCEPTIONS AND BEHAVIOR IN SOVIET FOREIGN POLICY
by Richard K. Herrmann

In an analysis of Soviet perceptions of U.S. behaviors based on a series of worldwide confrontations in the 1960s and 1970s, Richard K. Herrmann concludes that the U.S.S.R.'s arms build-up may be motivated by what Soviet leaders regard as a U.S. threat.
December 1985/approx. 352 pp./ $31.95 cloth

THE UNITED STATES AND LATIN AMERICA IN THE 1980s: CONTENDING PERSPECTIVES ON A DECADE OF CRISIS
Edited by Kevin J. Middlebrook and Carlos Rico

This important book examines key issues in current hemispheric relations from both U.S. and Latin American perspectives. Contributors include Sergio Bitar, Cole Blasier, Margaret E. Crahan, James R. Kurth, Carlos Massad, Guillermo O'Donnell, Gregory F. Treverton, Laurence Whitehead, and Howard J. Wiarda.
January 1986/approx. 640 pp./$34.95 cloth, $16.95 paper

THE HOVERING GIANT: U.S. RESPONSES TO REVOLUTIONARY CHANGE IN LATIN AMERICA, 1910-1985
by Cole Blasier
New Revised Edition

The revised edition includes a new chapter which analyzes U.S. responses to revolutions in Nicaragua, Grenada, and El Salvador. The first edition was praised as "the best over-all study of the subject."—*The American Historical Review*
January 1986/illus./approx. 348 pp./ tentatively priced $32.95 cloth, $11.95 paper

Also of interest:
THE GIANT'S RIVAL: THE USSR AND LATIN AMERICA
by Cole Blasier

"A book that Americans interested in Latin America and puzzled by the Reagan administration's explanation of events there definitely should read."—Wayne S. Smith, *The New York Times Book Review*
1983/232 pp./$14.95 cloth, $7.95 paper

University of Pittsburgh Press, Pittsburgh, PA 15260

New Council on Foreign Relations paperbacks

The Making of America's Soviet Policy

edited by Joseph S. Nye, Jr.

This "**timely and important** book" (Brent Scowcroft) is the first to examine seriously how the United States creates and manages its Soviet policy.

"**No work in recent years has come closer** to identifying the roots of the difficulties we create for ourselves in dealing with the Russians, or to specifying what we ought to do about them." —John Lewis Gaddis, *Washington Post Book World* $12.95

Soviet Policy in Eastern Europe

edited by Sarah Meiklejohn Terry

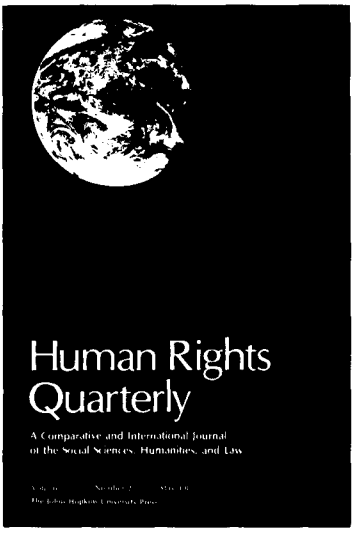
A comprehensive and timely volume by a group of experts, reflecting both the diversity of Eastern Europe and the multiplicity of Soviet concerns in the region.

"**A full and rounded picture** of Soviet-East European relations, particularly in the seventies. . . . **Extremely useful**." —Alex Pravda, *The Times Higher Education Supplement* $13.95

Send orders to Dept. 69J
Yale University Press
92A Yale Station
New Haven, CT 06520

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Comprehensive coverage of human rights research and policy.



Human Rights Quarterly provides the comprehensive coverage you need to understand complex issues in human rights. No other human rights journal brings together contributions from so many disciplines.

International in scope and non-partisan by design, *Human Rights Quarterly*:

- publishes the latest human rights research in law, philosophy, and the social sciences,
- presents critical commentaries on public and international policy, and
- probes the fundamental nature of global human rights.

Published quarterly in February, May, August, and November.

Bert B. Lockwood, Jr., Editor
University of Cincinnati

Sponsored by the Urban Morgan Institute for Human Rights, College of Law, University of Cincinnati

Human Rights Quarterly

Subscription Order Form

Please enter my one-year subscription: ☐ $18.50, *individuals* ☐ $47.50, *institutions*

Payment Options: ☐ Check or money order enclosed made payable to the Johns Hopkins University Press Bill ☐ VISA ☐ MasterCard

Acct. # _____ Exp. date ___/___

Signature _____

Name _____

Address _____

City, State, Zip _____

Send orders to: **The Johns Hopkins University Press,** *Journals Publishing Division,* 701 W. 40th St., Suite 275, Baltimore, MD 21211

Subscriptions are available on a calendar-year basis only. Prepayment required for shipment. Foreign postage: $3.50, Canada and Mexico; $6.00 outside North America. Maryland residents add 5% sales tax. Payment must be drawn on a U.S. bank or made by international money order.

EA85

Johns Hopkins

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Journal of PALESTINE STUDIES

The definitive quarterly on Palestinian affairs and the Arab-Israeli conflict published jointly by the Institute for Palestine Studies and Kuwait University. Included in each issue are: Articles by international scholars and public figures; book reviews; extracts from the Hebrew and Arab press; documents and source material; and, an extensive bibliography.

Winter Issue Includes:

- The 17th Palestine National Council (Interview) ..... Khalil al-Wazir

Palestinians in Israel:

- Israeli Land Seizure under Various Defense and Emergency Regulations .....Hanna Dib Nakkara
- How Israel Controls the Bedouin .....Ghazi Falah
- The Future of Palestinian Arab Education in Israel ..... Sami Khalil Mar'i
- The Coming-of-age of the "National Minority" .....Emile Touma

Palestinians in the Occupied Territories:

- Voices from the Occupied Land (Interviews) .....
- Palestinian Women Workers in the Israeli-Occupied Gaza Strip .....Susan Rockwell
- Tug-of-war: American Voluntary Organizations in the West Bank .....John P. Richardson

- **Special Documents** on the Palestinians in the Occupied Territories by ECOSOC and Amnesty International

---

Subscription ☐ $18/yr Individual ☐ $16/yr Student ☐ $24/yr Institution

Name _____

Street _____

City _____ State _____ Zip _____

Make check payable to: Institute for Palestine Studies
P.O. Box 19449, Washington, D.C. 20036
Phone: (202) 745-0868

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

JOURNAL OF POLITICAL AND MILITARY SOCIOLOGY

SPECIAL ISSUE ON
LIFE COURSE AND GENERATIONAL POLITICS

SPECIAL ISSUE EDITORS

RICHARD G. BRAUNGART
Syracuse University

MARGARET M. BRAUNGART
SUNY, Upstate Medical Center

INTRODUCTION

Life Course and Generational Politics

LIFE-COURSE POLITICS

Gladstone's Decade of Crisis: Biography and the Life-Course Approach TRAVIS L. CROSBY

Chronicler of a Generation: Vera Brittain's Testament MARVIN RINTALA

The Mentor in the Commencement of a Political Career: The Case of Subhas Chandra Bose and C.R. Das ROBERT N. KEARNEY

Dreams of Glory and the Life Cycle: Reflections on the Life Course of Narcissistic Leaders JERROLD M. POST

Echoes of Rebellion: The Liberated Generation Grows Up JACK WHALEN, RICHARD FLACKS

Aging and Politics MARGARET M. BRAUNGART

GENERATIONAL POLITICS

"The Truest Community": Social Generations as Collective Mentalities ANTHONY ESLER

Historical Generations and Generation Units: A Global Pattern of Youth Movements RICHARD G. BRAUNGART

Politics and Opportunity in the Post-Revolutionary Generation: The Cases of Nazi Germany, Stalinist U.S.S.R., and Maoist China STANLEY K. SHERNOCK

Intergenerational Rapprochement Among American Indians: A Study of Thirty-Five Indian Veterans of the Vietnam War TOM HOLM

Anti-Politics and Successor Generations: The Role of Youth in the West and East German Peace Movements JOYCE M. MUSHABEN

Conceptual and Measurement Aspects in the Study of Political Generations DAVID KNOKE

SELECTED BIBLIOGRAPHY

The special issue on Life Course and Generational Politics costs $9.50 for institutions and $7.50 for individuals. Subscribers outside the U.S. should add $1.00 to cover postage and handling. A year subscription to the semiannual publication is $18.50 for institutions and $14.00 for individuals. For countries outside the U.S., subscribers should add $2.00 to cover postage. Subscriptions and other correspondence should be sent to: JOURNAL OF POLITICAL & MILITARY SOCIOLOGY, Institute for Social Science Research, Northern Illinois University, DeKalb, IL 60115 USA.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE WORLD TODAY

For those who prefer knowledge over opinion

Written by the experts. Read by the experts.

'THE WORLD TODAY has excellent articles on subjects which are my political corner. The aim of the articles is to present facts systematically, not to express opinions.'

Denis Healey, M.P., shadow foreign secretary

'We turn automatically to THE WORLD TODAY when working on any kind of subject requiring commentary or updating...'

Charles Douglas-Home, editor of The Times

'THE WORLD TODAY is topical, to the point, a good halfway house between daily and weekly press and academic journals. I read it for useful background and insights.'

Andrew Knight, editor of The Economist

'THE WORLD TODAY taps the best available expertise on international subjects. I recommend it to anyone who wants greater depth and specialist expertise on a range of topics of current interest.'

John Tusa, BBC Newsnight

Read *THE WORLD TODAY* for commentaries, articles, book reviews.
THE WORLD TODAY is the monthly journal of international politics of the Royal Institute of International Affairs.
1985 subscriptions: £16 UK, $40 USA, £22 elsewhere. Student discounts available.
Enquiries to The World Today, 10 St James's Square, London SW1Y 4LE, U.K.

On sale at Dillons and The Economist Bookshop in London

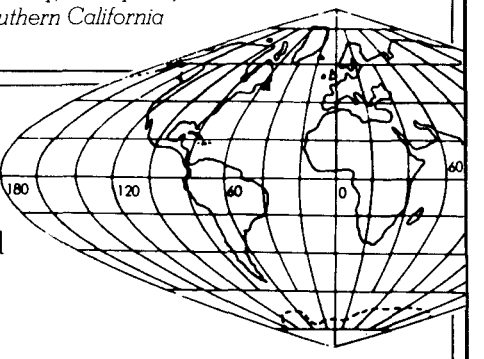
LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Princeton University Press

Economic Statecraft

David A. Baldwin

"This book is one of the three or four most significant new contributions to either foreign policy analysis or international political economy that I have read in the last decade. It is one of those works that bring a fresh perspective to a subject that has been analyzed at length, and it suggests strongly that the most prominent authors on the subject have made major errors in drawing inferences. Baldwin is simply brilliant at logical construction and reconstruction. The book will be a stimulus and model to anyone who aspires to logical clarity, on any subject."
—John S. Odell, University of Southern California
LPE: $12.50. C: $55.00



After Hegemony

Cooperation and Discord in the World Political Economy
Robert O. Keohane

"In the postwar world there has been more international cooperation than ever before, but there is more discord than cooperation. Interdependence adds to both... Can cooperation increase if there is no hegemony? Yes, says Professor Keohane in this outstanding book. The case rests on the demonstration that states, by adjusting their national policies to one another, thereby enhance their ability to serve their national interests. The author's painstaking consideration of difficulties and objections should show how often narrow assumptions and obscurantist jargon have led to loose thinking and worse policy conclusions."
—Foreign Affairs
P: $8.95. C: $30.00

Write for our new Social Sciences catalog

At your bookstore or

Princeton University Press

41 William Street Princeton, NJ 08540

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED